

rmans seek package al on EEC payments

dt, the West German Chancellor in talks with Mrs Thatcher, will not act in the EEC budget dispute. But both ondon feel that a solution is drawing ough the Germans believe that in a Britain must make some concessions h.

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Earle th 27 ions were said by e among 19 people today for question- e by anti-terrorist ologia, Catania, and in towns. A British okesman gave their Mr Anslow, Holton, d Mr Kenneth Bur- 22 ge said they were e an organization Azione Rivoluzionaria raids on about 50 l yielded explosives, a, and documents. A British woman, Miss e Weir, was arrested s week in Catania.

abwe flag

March 27—The tal flag of Zimbabwe e prominently the Zimbabwe bird, a civilization which in the area centuries uld be superimposed five-pointed star in a e-pointed star in a ircle at the hoist of

Oil rig overturns with 208 on board

By Staff Reporters

A North Sea oil rig accommo- dation platform with 208 people aboard overturned in a gale last night.

Within minutes RAP and Nor- wegian Air Force helicopters were flying towards the plat- form, the Alexander Keilland, 180 miles east of Newcastle upon Tyne. Thirteen ships were diverted to the area.

The platform, a semi- submersible, built on pontoons on the seabed, is owned by Phillips Petroleum in the Ekofisk field. One of its five giant legs collapsed, causing the platform, virtually an oil rig workers' hotel and recreation area, to list. The reported position of the accommodation rig in the Ekofisk field placed it almost exactly equidistant, between helicopter rescue resources in Britain and Norway. Norwegian Air Force headquarters at Stavanger co-ordinated the operation.

First reports from helicopters reaching the capsized rig said that survivors had been seen in the sea wearing life-jackets or in lifeboats.

The Ekofisk field, operated by Phillips Petroleum, an American company was the scene of the big blow-out on the Bravo rig in April 1977.

More than 22,000 tons of oil and 60 million cubic feet of natural gas spilled out of the well over the eight days, pro- ducing a slick over 150 square miles of the North Sea. The well was finally closed off by a team led by Mr Paul "Red" Adair, the Texan specialist in fighting "gushers".

Phillips Petroleum and the Norwegian petroleum director- ate was criticised by an official Norwegian commission of in- quiry into the accident, which occurred when a safety device 110ft below the seabed was not properly locked into place.

Burmah plea

Burmah Oil yesterday asked the High Court to order dis- closure of government docu- ments concerning the sale of the company's stock in BP to its Bank of England in 1975. Report, page 30

Strikers' families will lose £12 benefit

By Fred Emery
Political Editor

The families of all strikers, regardless of whether they are union members or on official or unofficial strike, are set to lose £12 a week from supple- mentary benefit under propo- sitions of a new Government security Bill to be pub- lished today. It will probably be enacted by the autumn.

Senior ministers disclosed that last night in explaining why the Government had decided to cut through the complexities of the so-called "deeming" of strike pay by unions in favour of a straight deduction.

Had the measure been in effect during the steel strike the state could have saved about half the benefits paid to strikers' families, which at present amount to £8m. Mr Patrick Jenkin, Secretary of State for Social Services told the Commons yesterday.

The Opposition reacted vehemently even without know- ing that the move would be a flat deduction; their fury will no doubt be redoubled, with a pledge to repeal it elected. "A direct attack on the trade union movement," declared Mr Stanley Orme, Labour spokes- man on health and social services.

Going further, Mr Denis Healey, the shadow move as "punishing the families of men and women on strike in a way in which no government, not even this one, has proposed to punish the families of mur- derers, rapists, or thieves." Mr Healey charged that there was no economic or social point:

Mr Healey's Budget invective cheers Tories

By Hugh Noyes
Parliamentary Correspondent,
Westminster

Mr John Biffen, Chief Secretary to the Treasury, answering Labour's attack on the Budget yesterday in the Commons, warned the faint- hearted on the Conservative benches that the Chancellor's strategy was for a full Parliam- ent, and there would be no quick dash for freedom.

Inflation could not be killed by a casual charge, and he promised that public expendi- ture would not be brought under control in the roller- coaster manner of the previous Administration.

The Government, he said, would persist with its policies to the end and the Budget was designed to secure the time necessary for the policy to succeed. Peering into the future, Mr Biffen detected encourag- ing signs in the levels of pay

settlements. Although many of these were still too high, there were indications also that mone- tary stability was being achieved.

Describing Mr Denis Healey's strategy as "a busted flush", Mr Biffen warned the Labour benches that their former Chancellor appeared to be mov- ing with great delicacy to- wards a disengagement from his previous stance. One of the enduring characteristics of Bud- get debates in recent years, he said, was the blend of pug- nacity, foreboding and selective charm, contributed by Mr Healey.

For all his virtues, few MPs yesterday would have been in- clined to include delicacy and charm, however selective, as among Mr Healey's more ob- vious attractions. Like a Muhammad Ali who has run amok, he accused the Govern- ment of cheating, lying,

cowardice, incompetence, eco- nomic illiteracy, viciiousness and immorality.

The former Chancellor, ap- parently trying to get the best of all worlds, first claimed that the Budget was a dismal cata- logue of trivia and of little consequence, only to conclude that its effect on society would be catastrophic, and that it was driving heavy nails into the coffin of British industry.

Provided that Mr Healey is not taken too seriously, he is wonderful value as a punk orator. There was no danger yesterday of his being accused, as Mr Callaghan, Leader of the Opposition, accused Sir Geoffrey Howe, Chancellor of the Exchequer, on Wednesday, of lacking in flights of eloquence.

The Government, he said, was presenting the British people with a prospectus for decline and the Chancellor had delivered a stunning karate

chop to the neck of British industry, from which it would never recover. Labour MPs revelled in this sort of stuff, and laughed themselves hoarse. As for his description of the Government's policy as "punk monetarism", Mr Healey said that what he meant by that was a monetary policy based on half-baked dogmas. The Chan- cellor, he concluded, would not get through the eleven-plus in economics, let alone A-levels.

The more invective that came from Mr Healey, the more Conservative MPs seemed to cheer up, presumably on the assumption that if Labour's spokesman needed to make such preposterous charges, prospects for the economy could not be all that bad.

On the Government's pro- posals for reducing the social security benefits for the families of men on strike, Mr

Healey said that that was being done in a way no Govern- ment had ever proposed to punish the families of mur- derers, rapists or thieves. It was being done for no economic, social or industrial reason, but out of sheer vindictiveness.

The biggest single thrust in the public expenditure White Paper placed the burden of savings on those least able to bear it: the old, sick, children, poor and unemployed. The Budget contained a succession of mean, vicious and vindictive measures, calculated to cause unnecessary suffering to those groups.

At the general election, Mr Healey concluded, the Conser- vative Party had appealed to fear and greed. There was now nothing left for them to appeal to but fear.

Parliamentary report, page 11



Picasso 'going home': Pablo Picasso's (above), anti-war painting 'Guernica' (above), painted in 1937 and one of his best-known works, is likely to go to his native Spain before the end of the year. The Museum of Modern Art in New York, which has had the painting on extended loan since 1939, confirmed this today, but emphasized that no formal agreement had been signed. (Michael Leapman writes from New York). Before he died, Picasso charged M. Roland Dumas, his French lawyer, with arranging for the painting to go to Spain after a free and stable democratic system had been introduced there. Since General Franco died in 1975 Spain has been a constitutional monarchy with an elected government.

MP resigns as Manifesto Group treasurer

By George Clark
Political Correspondent

Mr Neville Sandelson, MP for Hillingdon, Hayes and Harling- ton, yesterday resigned as treas- urer of the right-wing Mani- festo Group of Labour MPs, a post he has held since the group was formed in 1973. He did so in protest against the group's timid attitude to the infiltra- tion of the Labour Party by left-wing extremists.

He said: "The Manifesto Group had a worthwhile philo- sophy, but they had no guts. There was a total disinclination to stand up for what they believed in; they have as much courage as a paralyzed rabbit." I asked him if he would be joining the new Labour group calling itself "Labour First" established on Tuesday by about 30 Labour MPs, including many former junior ministers, with the object of representing the mainstream of Labour opinion in Parliament and in the coun- try.

Mr Sandelson, a barrister, replied in the negative. "They are simply a coterie of former ministers and would-be min- isters seeking to protect and advance their own positions," he said.

He was critical of the submis- sion made by the Manifesto Group yesterday to Mr Ron Haywood, general secretary of the Labour Party, in response to his request in all factious within the party for details of their aims, organization and financial sources.

Having submitted details, Mr George Robertson, MP for Hamilton the group's honorary secretary, added: "We are glad to furnish the information. We sincerely hope you meet with as rapid and as forthright a response from the other groups working within the Labour Party." There was an oblique reference to the left- wing groups which are apparently able to "run" a national organization and news- papers and which have been reluctant to disclose some of their financial sources.

Mr Sandelson said: "It was sheer hypocrisy on the part of the National Executive Com- mittee to request information from the Manifesto Group, which is the most innocuous—one might

Continued on page 2, col 6

Kuwait and Iran edge oil prices higher

Oil prices are being pushed up again as both Kuwait and Iran review pricing structures. Kuwait is charging a premium on its \$27.50 a barrel price and Iran plans to raise its official price by about 52 from April 1. Kuwait also intends to cut pro- duction by 25 per cent from the beginning of April. But its three main contractors—Shell, British Petroleum and Gulf—are likely to suffer larger cut- backs. BP has already agreed a new contract with Kuwait at roughly a third of the old level while Shell and Gulf are still negotiating. It is believed their basic contracts will be reduced to the same as that of BP—150,000 barrels a day. Kuwait is demanding participation in refinery or other oil company operations in return for larger cuts. Page 19

Libel damages over 'slush fund'

Libel awards, said to be very substantial, awarded in the High Court to Mr Alex Park and Mr David Andrews, who were British Leyland executives, against Associated Newspapers over articles in the Daily Mail in 1977 alleging bribery and corruption at British Leyland. The newspaper had alleged that the company ran a "slush fund" of millions of pounds. Page 6

Five questioned on bullion theft

Five men were being questioned by police about the theft from London in east London on Monday of £3m of silver bullion. At the same time a £300,000 reward, thought to be the largest offered in Britain, was offered by loss adjusters for the recovery of the 10 tons of silver. Page 5

Student grants protest expected

Student grants are to rise by 13.7 per cent in the autumn, a figure that brought an angry reaction from the National Union of Students, who were claiming 36 per cent. Their president predicted rent strikes over the decision. Page 4

Leader page 17
Letters: On VAT payments and the EEC, from Sir Derek Walker-Smith, AC, MP; on the Olympic Games, from Lord Harris of High Cross and Lord Harris of Greenwich, MP.
Leading articles: Western alliance—Family Budget—Arts, page 15
David Robinson—finds John Casavetes his best in The Killing of a Chinese Bookie, and reviews other new films in London; William Mann on the gala performance of Lucie Arnould at Covent Garden
Obituary, page 18
Maj-Gen B. A. Coad, Admiral Sir Henry McCall, Miss C. J. Whittington.
Features, pages 10, 16
Geraldine Norman on auction

Home News	2, 4-6	Features	10, 16	Snow reports	13
European News	6	Law Report	16	Sport	12, 13
Overseas News	8-10	Letters	17, 20	TV & Radio	24
Appointments	18, 24	Motoring	27	Theatres, etc	19
Arts	15	Obituary	18	25 Years Ago	18
Class	19-28	Universities	11	Weather	18
Court	18	Sale Room	16	Wills	28
Crossword	38	Science	16		
Diary	16				

Luxembourg backs claim for equal pay

The European Court of Justice in Luxembourg, in a decision with considerable im- plications for women's equal pay in Britain, ruled yesterday that a woman was entitled to compare her pay with that of a male predecessor in the same job. Mrs Wendy Smith, a stock- room manageress with McCarthy's Ltd, wholesalers in pharmaceutical products in Wembley, was paid £30 a week, £10 less than the man that had done the job before her. The case now goes back to the British Court of Appeal, which referred it to Luxem- bourg, for a final judgment. The court must follow the Luxembourg ruling.

Chad battles rage

Heavy fighting raged in the battered capital of Chad for the sixth consecutive day between rival southern and northern factions. The shelling was most heavy close to the cathedral where ceasefire talks were in progress. Page 10

Olympic coverage: The BBC has deferred making a decision about the total time to be allocated to broadcasting the games

Duke's protest: The Duke of Rutland told the Vale of Belvoir inquiry he was "implyably opposed" to plans for mining in the area. Page 5

The North-east: Four-page Special Report on a region struggling for survival after a 40 per cent cut in Government assistance

Classified advertisements: Ap- pointments, pages 27, 28; Car Buyers' Guide, 27; Hotels and Holidays, 28; Personal, 29, 30

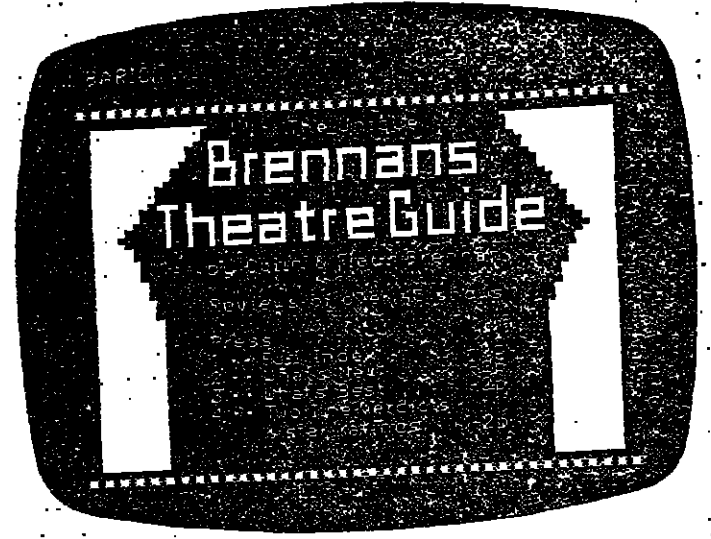
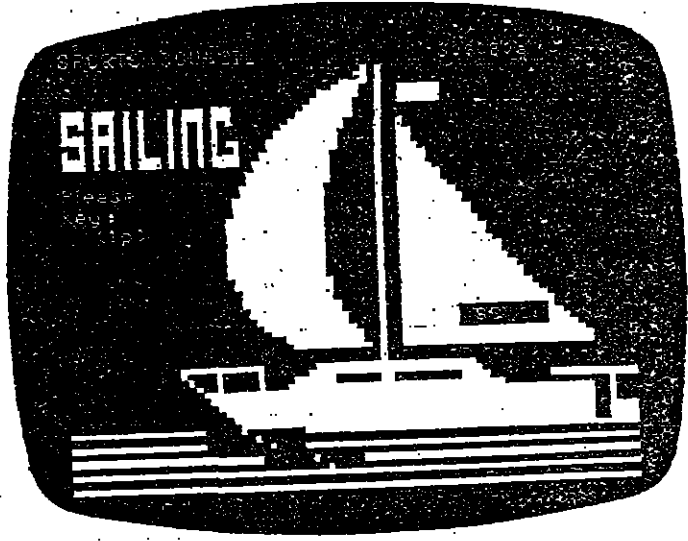
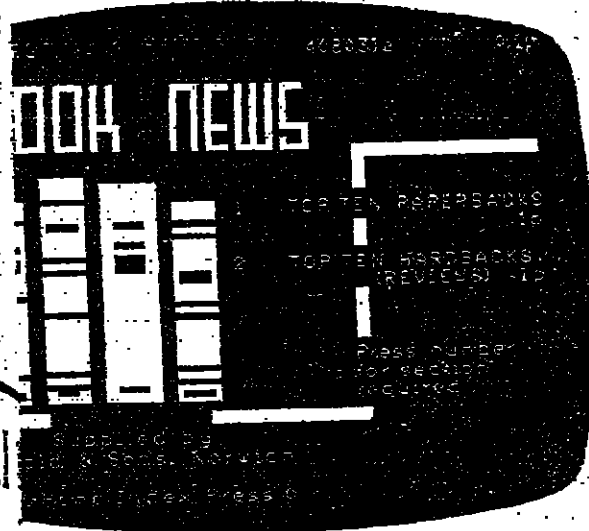
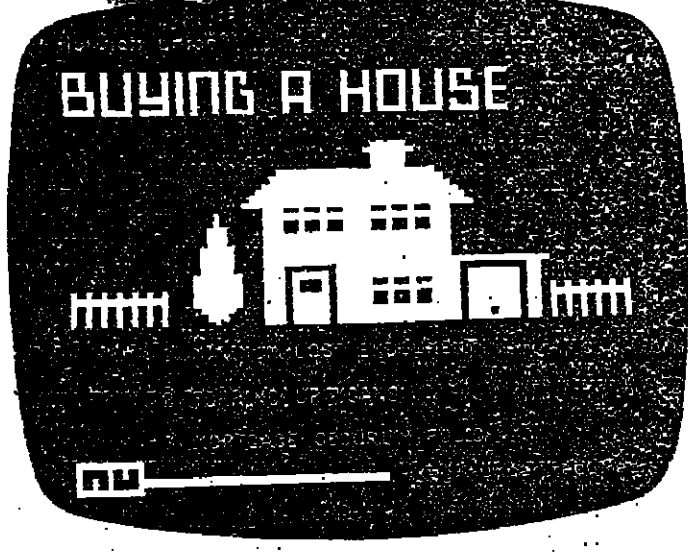
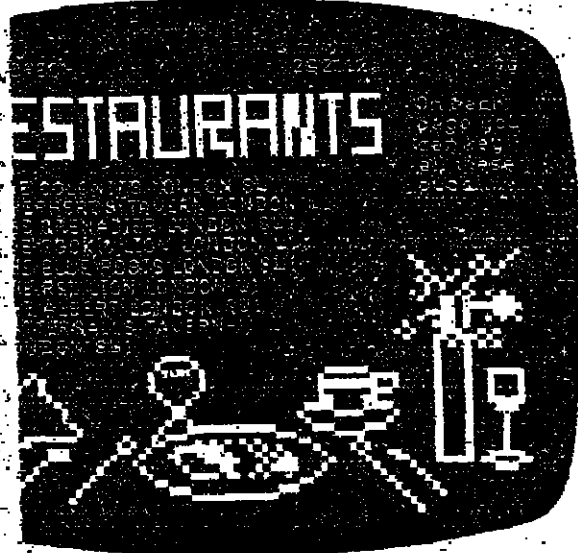
ings; Geoffrey Smith on the EEC and the centre party
Sport, pages 12, 13
Football: AC Milan president among 14 suspended; Golf: Curtis Cup team includes 16-year-old; Badminton: Karen Bridge seeded second in European champion- ships; Rugby Union: Laidlaw leads Scotland tour party; Rowing: Encouraging outing for Oxford University; Racing: Uncle Bing wins Topham Trophy at Aintree
Business News, pages 19-25
Stock Markets: Most investment sections were disillusioned with the Budget, as gilts drifted lower fol- lowed by equities. The FT Index fell 12.0 to 425.1
Financial Editor: After the Bud- get: Lucas loses at home

Simpson's

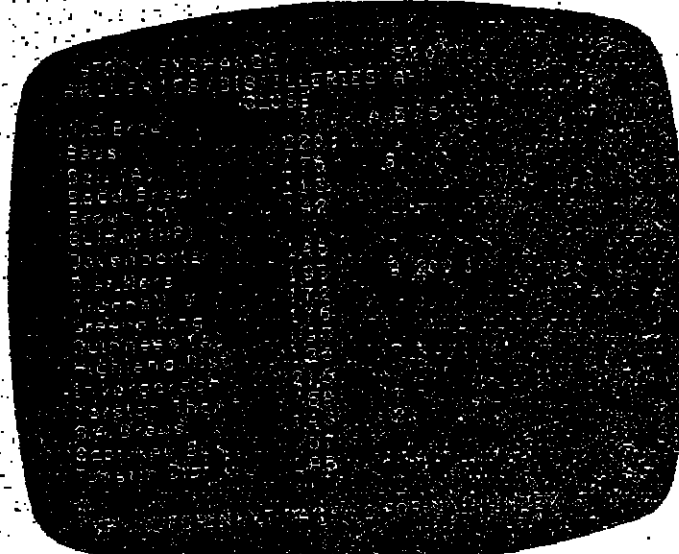
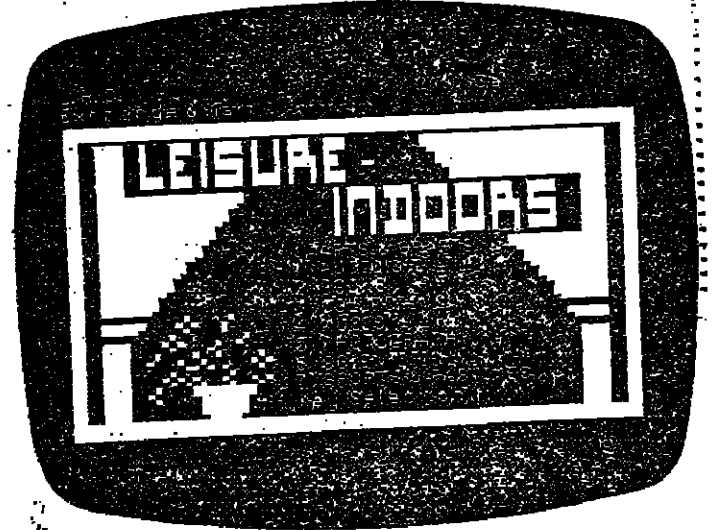
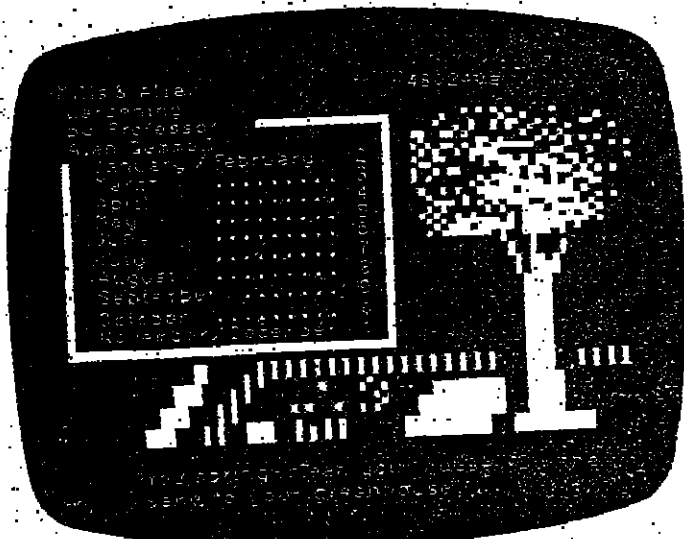
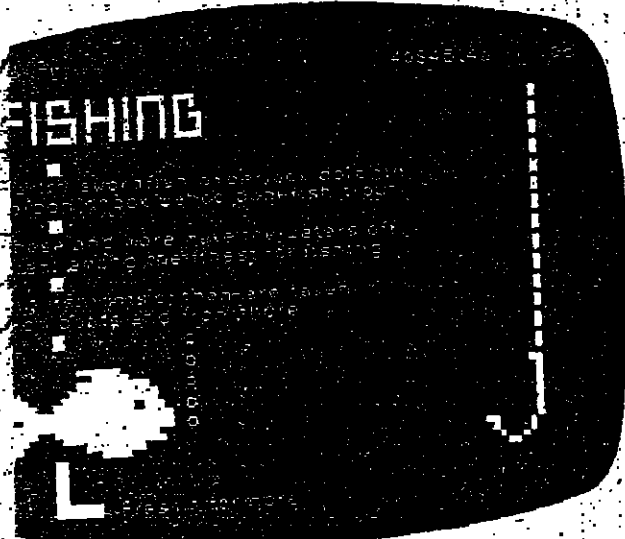
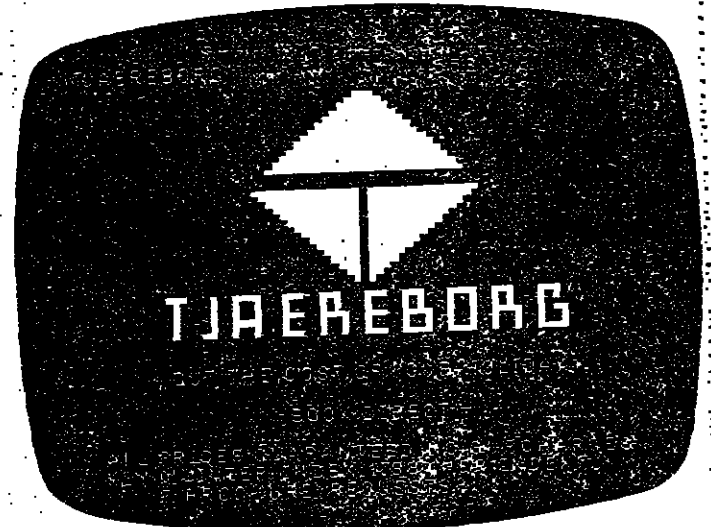
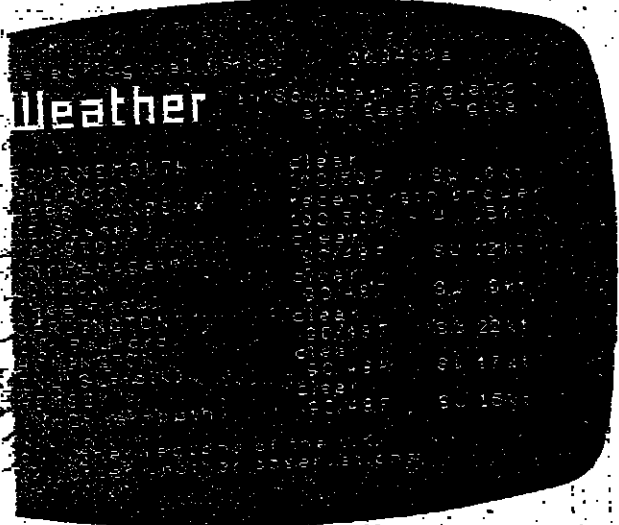
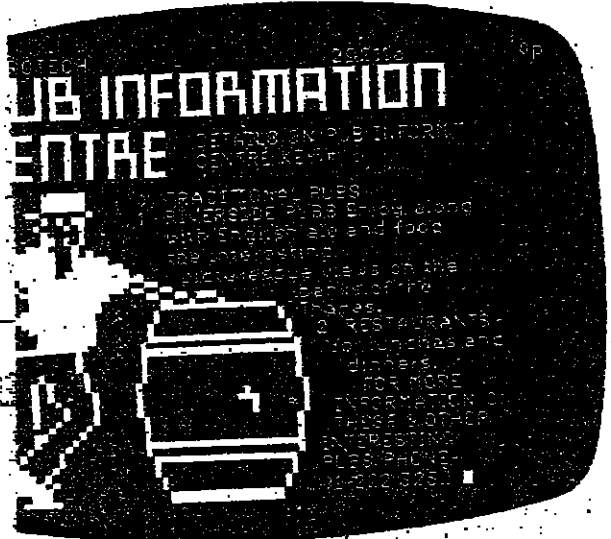
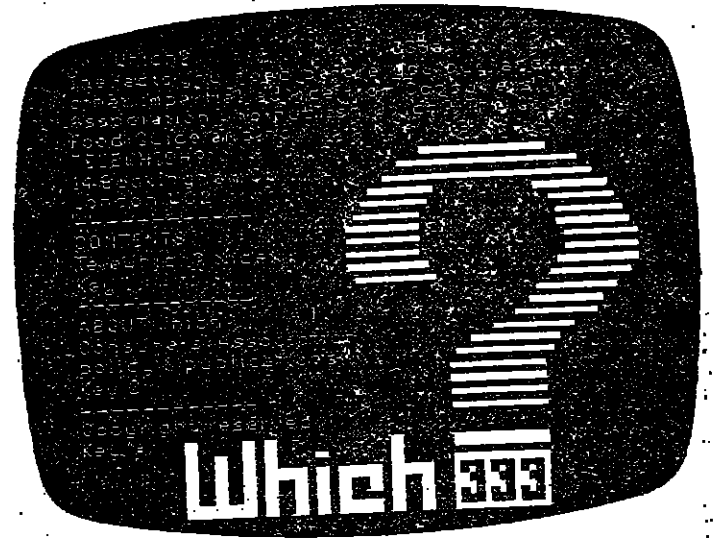
At Ease

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HOME NEWS

Student rent strikes predicted as grants increase by only 14.7%

By Diana Geddes
Educational Correspondent

Student grants are to go up by 14.7 per cent in the autumn, although the Government estimates that students need 19.7 per cent to keep abreast of inflation. The students were claiming 36 per cent.

Announcing the new rates for 1980-81 in the Commons yesterday, Mr Mark Carlisle, QC, Secretary of State for Education and Science, said that the increase took account of the expected rise in living costs over the coming academic year and the rise in student costs since the last triennial review of grants.

"But it also allows for an abatement by about five percentage points as a contribution to the Government's policy of restraining public expenditure," he said. "If the Government wants to play dirty with us, we can only play rough with them. The maximum rates for

undergraduates living away from home in London are to rise from £1,485 to £1,635; for those living away from home outside London from £1,245 to £1,430; and from £985 to £1,125 for students living at home. Supplementary grants will also be increased.

The minimum maintenance grant, which all students receive regardless of parental income, is to go up from £335 to £385; and the starting point for contributions from parents will be raised from a residual income of £4,700 to £5,800. The Government estimates that as a result, 10,000 parents will be relieved from paying any contribution towards their children's maintenance costs.

The total cost of mandatory student awards for the 355,000 eligible students in higher education in Britain is expected to be about £4,000m in 1980-81. The Committee of Vice-Chancellors and Principals said that it was "dismayed" that the increase in the student grant was insufficient to cover the increase in the cost to universities of providing board and lodging for their students, which universities were not allowed to subsidize from their general income.

Universities to get 14% rise in recurrent grant

By Our Education Correspondent

The Government has allowed for a 14 per cent increase in pay and prices, in the grant for universities for 1980-81, Mr Mark Carlisle, QC, Secretary of State for Education and Science, told the Commons yesterday.

The recurrent grant for the coming year would be £387m. That was a cash limit. It provided grants for home students at about the same level, in real terms, as in the present academic year, he said.

Admissions of home students for 1980-81 were expected to number 75,000; that was about the same level as for 1979-80. The 6 per cent cut in the admission of home students mentioned by the University Grants Committee in its letter last August seems to have been abandoned.

The Public Expenditure White Paper, published on Wednesday, speaks of a "small reduction" of home students in higher education. However, that reduction, expected to be about 2 to 3 per cent, is planned to take place

in colleges outside the university sector. Those postgraduate numbers in universities are expected to remain at about 30,000.

No provision has been made in the universities' grant for overseas students beginning new courses in 1980-81, as universities are expected to recover their cost through the new full-cost fees.

The £387m grant included an earmarked sum of £5m which was to be made available to universities on the recommendation of the Universities Grants Committee, "to help ensure that uncertainty about prospective income from overseas students does not adversely affect selected postgraduate work of particular importance to this country, while universities are adjusting to the policy of full cost fees for overseas students," Mr Carlisle said.

The grant did not include £1.6m that the Government was providing in 1980-81 to help outstanding research students from overseas to attend British universities.

Pre-holiday patrol for poison on beaches

By a Staff Reporter

An intensive sweep of south coast beaches where canisters of lethal arsenic trichloride are being washed up is being made to ensure their safety for the Easter holidays, Mr Michael Heseltine, Secretary of State for the Environment, said yesterday.

In a parliamentary written reply to Mr Terence Higgins, Conservative MP for Worthing, he said that most of the lethal canisters from the Tunisian ship, *Toucan*, had been found. Altogether 32 of the 40 canisters known to have been lost from the ship when it passed through the Channel earlier this year have been recovered.

The intensive check of Isle of Wight beaches and a special patrol of other affected south coast beaches would be made before the Easter holidays.

In the past three months some 3,500 containers have been collected, about 1,500 on the Isle of Wight. Although many contained small quantities of chemicals, most did not present unusual hazards. Between 20 and 40 per cent are thought to have come from the Greek freighter, the *Amelia*, which sank 12 miles east of Portland Bill last November.

Mr Heseltine said he had been impressed by the efforts of local authorities, coastguards, fire brigades and the police to see the beaches are kept as clear and safe as possible. He urged parents, however, that containers found can be hazardous and they should warn children not to touch them. "It is never possible to guard against every risk, but exceptional vigilance has been and will be displayed this winter and spring to clear beaches on the Isle of Wight and elsewhere."

Night ferry rail service to Paris may end

The night ferry train from London to Paris and Brussels may be discontinued in the autumn.

Mounting losses and a drop in passengers have prompted French Railways, which own the outdated, first-class sleeping cars used on the service, to seek British Rail's approval for the closure.

British Rail sleeping car attendants have staffed the train since 1977.

An average of 65 passengers travel on the train to Paris, paying £128.90 for a first-class return ticket, British Rail said yesterday.

Decreasing importance of council homes underlined in White Paper

'Shelter' calls housing cuts irresponsible

By John Young

Planning Reporter

The cuts in public expenditure on housing, announced in last Wednesday's White Paper, are remarkable for two reasons.

One is that they are far larger, in real terms, than those applied to any other important sector. The other is that they underline a deep-seated Conservative belief that council housing should, and will, play a decreasing part in meeting the nation's needs.

Immediate reaction, however, has been sparse and surprisingly muted. Predictably the angrier response yesterday came from Shelter, which called for the resignation of Mr John Stanley, Minister for Housing and Construction.

"It is without question the most socially irresponsible housing plan put forward by any government during this century," Mr Neil McIntosh, Shelter's director, said.

The Royal Institute of British Architects said that the White Paper and the Budget had between them delivered body

blows to the construction industry. But the Association of Metropolitan Authorities was not prepared at this stage to issue any comment.

Both the AMA and the Association of District Councils are, of course, already at loggerheads with the Government over spending controls and, as they are both Conservative-controlled, may well not want to exacerbate the situation.

Certainly the White Paper figures are striking. They show that total public housing expenditure has already fallen from £7,154m in 1974-75 to £5,372m in the current financial year, at 1979 prices, and is forecast to be no more than £2,790m in 1983-84.

Over a single decade that represents a cut of more than 60 per cent, something that would have been unthinkable in the 1950s and 1960s, when housing was the dominant domestic political issue.

Compared with the days when successive Conservative and Labour governments were trying to achieve targets of 400,000 new houses a year or

more, fewer than half that number were started last year, and of those fewer than a third were in the public sector.

The Government would certainly deny any suggestion that it has deliberately decided to wield the axe "on house building because there are no longer any votes in housing. It would also disagree with Mr McIntosh's use of the word "plan".

Its view is that the White Paper projections do not comprise a strategy but merely reflect the trend of the last few years. Even without the need to reduce public expenditure, it is said, there would be no point in making increased provision for council house building when so many authorities have been consistently underspending on their allocations.

The reasons why authorities underspend are complex. In many cases, particularly in smaller and medium-sized towns, they do not believe that demand justifies further building on any substantial scale. In the larger urban areas,

where there is frequently "pure" housing need, some authorities are constrained by a shortage of suitable land at reasonable prices. Although, ironically, others have acquired more land than they can use in the foreseeable future and are under pressure from the Government to dispose of it.

Conservative ministers make a distinction between housing need and what authorities can afford to do to satisfy it. Up like the rate support grant, which is, in theory at least, weighted to assist areas where needs of all kinds are most pressing, housing allocations are not grants at all but simply sanctions to authorities to borrow money.

The Government is pinning much faith on alternatives to council housing in particular a regeneration of the moribund private rented sector.

But it critics argue that in that case it should be diverting more resources to renovation and improvement programmes and should display a less lukewarm attitude to bodies like housing associations.

3 sentenced men held in police cells

By Craig Seton

A Labour MP is to raise in the Commons the case of three sentenced prisoners who had to spend a night in police cells because Wormwood Scrubs could not accommodate them.

Mr Robert Kilroy-Silk, MP for Ormskirk, has tabled a question to Mr William Whitelaw, Home Secretary, asking how many prisoners, whether on remand, awaiting sentence or sentenced and in transit, have to spend time in police cells because of serious overcrowding in Britain's prisons.

The Home Office has confirmed that the three prisoners, who were in court on Monday, had to spend the night at a police emergency holding centre in Lambeth, south London, before being transferred to Wormwood Scrubs next day.

A spokesman said that the prisoners' stay at Lambeth was not planned. Although it happened occasionally, it was something the Home Office tried to avoid "at all costs".

Mr Kilroy-Silk said yesterday that the prison population had passed the 40,000 mark.

He was seriously concerned that overcrowding could mean that some prisoners now had to spend some time in police cells, which were not covered by statutory prison rules.

Youth is led from Kelly inquest after boy alleges assault

From David Nicholson-Lord

Liverpool. The police led a youth out of the inquest yesterday on James Kelly, the Liverpool man who died last year in police custody, after he had been identified by a teenage witness as one of a gang who had beaten him up for Ormskirk, has tabled a question to Mr William Whitelaw, Home Secretary, asking how many prisoners, whether on remand, awaiting sentence or sentenced and in transit, have to spend time in police cells because of serious overcrowding in Britain's prisons.

The incident took place after Michael Ray, aged 17, had told Mr George Carman, QC, for the Police Federation and four individual officers, that he had recognised one of his attackers during a brief adjournment earlier.

Later the youth was released without being charged and told to report to the police in a fortnight.

Michael Ray and his brothers, Colin, aged 15, and Graham, aged 14, of Barrowfield Road, Huyton, have said that they witnessed the arrest of Mr Kelly half an hour before he died and did not see the police punching or kicking him. They have said they have been beaten up and threatened since making their statements to the police.

Mr Andrew Rankin, QC, for the Chief Constable of Merseyside, has said their allegations are being investigated by a superintendent from the Merseyside force.

After Michael Ray said he had recognized his attacker, he stood up and said he could see the person in court. At Mr Carman's request he did not identify him. He said, however, that he was prepared to identify his assailant to the superintendent in charge of inquiries.

Later that brought a protest from Mr Rankin, who said the information about the identification had been communicated to Mr Carman on a "counsel to counsel" basis, and should not have been made public.

Mr Rankin said the person involved was not a member of the Kelly family. He added: "There is no evidence of any kind that any member of the family has participated or in any way been responsible." There were three parties who might act foolishly.

Later Mr Ronald Lloyd, the coroner, agreed with Mr Carman that the results of the police investigation should be brought before the inquest.

Michael Ray said in evidence that he saw Mr Kelly roll over after falling down and later, when the police arrived, he was shouting at them "Come on man to man".

The policeman tried to get Mr Kelly into their car but he was struggling, kicking his legs about and swinging his arms. He did not see the policemen hitting Mr Kelly. "All they did was to try and restrain him," he added.

He agreed with Mr Carman that it would be a "wicked lie"

to say Mr Kelly had been beaten up by the police.

Cross-examined by Mr Gilbert Gray, QC, for the Kelly family, he agreed that he had been charged with setting fire to a car and had been awaiting trial.

Mr Gray said: "When you told this jury that since the Kelly incident you have been attacked and struck in the face two or three times a week, but it is about 50 times since June last year, that is not true is it?"

The boy replied: "It is not that many times. I have been hit, though."

He agreed with Mr Carman that his family had had no trouble in the neighbourhood before Mr Kelly's death. "It was a great deal of trouble since."

He told Mr Gray that he ran away last week because he was scared he might be "jumped on" at the inquest. He denied that he was making up allegations about being attacked by gangs of youths "as he was going along".

Mr Rankin said that one statement had already been taken on the allegations and two more were being sought. If there was substance in them they would lead to prosecution.

Mr Gray said that during a visit by the jury to the area of waste ground in Huyton where Mr Kelly had been arrested, a photographer with the Liverpool Echo newspaper had his film seized by the police.

The hearing continues today.

Trial by judge and jury urged in place of 'sus' law

By Nicholas Timmins

Some of those arrested under the so-called "sus" law plead guilty because they feel they have been found guilty before they start, the Commons Select Committee on Home Affairs was told yesterday. The committee is investigating the use of the law.

Mr Leonard Woodley, a Trinidad-born barrister, who is a member of the executive committee of the National Council for Civil Liberties (NCCIL), said the defendant was usually faced with his word

against that of two or three police officers, with no victim and no independent witnesses, and that some magistrates just "rubber-stamped" the police evidence.

But Mr Woodley, who has acted for the defence in many "sus" cases, said he believed that a substantial amount, perhaps half, of convictions were wrongful.

He was giving evidence to a committee of the Home Affairs Select Committee, which is investigating the use of the law.

He was giving evidence to a committee of the Home Affairs Select Committee, which is investigating the use of the law.

charges of attempts to steal would have to be brought.

That would have the advantage of the option of trial by judge and jury, the evidence would not be rubber-stamped by the magistrates, and the defence would be able to see in advance the evidence to be brought, a right not available when the charge was under the "sus" law, Section IV of the Vagrancy Act, 1824.

That creates an offence of "intent to commit an arrestable offence", and gives police the power to arrest a "sus"

pected person loitering in public places, or in the company of a known or suspected person.

Mr Woodley said that abuses by the "sus" law and word abuse by the police were "black on the face of the law" and the police must be held to account.

If evidence of abuse is believed there are arrests.

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NEWS

Cost of Belvoir' will at philistines, warns inquiry

Young porter against the wishes of the inhabitants."

The duke said that he was speaking not just as the owner of Belvoir castle but also as elected representative for the area on Leicestershire County Council.

Quoting Coleridge on the joys of strolling alone through fields and woods, he said that the people of the vale had a deep, genuine and emotive love for their surroundings.

"There is no doubt whatever that if mining was permitted, very soon the vandals would be on the march, and the ugly sprawl of mines, spoil heaps, traffic railways, noise and dirt would descend like a black cloud," he said.

Asked by Lord Colville, QC, for the board, whether if planning permission was granted, he would be prepared to take part in discussions on mitigating the effects of mining, the duke replied that that would depend on the terms of the permission.

Talks between the board and the county council, which are understood to include the question of waste disposal outside the vale, had been undertaken entirely without prejudice, he said.

Mr Michael Mann, QC, the inquiry inspector, assured the duke that he was conscious of the depth of local feeling. He could rest assured that the absence of the sort of disorderly protest experienced at some motorway inquiries would not be seen as a sign of weakness.

Prison term on police driving chief is set aside

A police driving instructor who was sentenced at Cardiff Crown Court two weeks ago to nine months' imprisonment for causing the death of another motorist by recklessness driving, had the sentence set aside by the Court of Appeal today. A fine of £500 was substituted.

Chief Inspector Mansel Wallace Abraham, aged 45, South Wales Constabulary, of Hafan Weg, Bridgend, Mid Glamorgan, was given six months to pay the fine, with six months' imprisonment in default.

Mr Justice Jupp, sitting with Lord Justice Ormrod and Mr Justice Chapman, said Mr Abraham was driving a police car on the A48 road last July with two sergeants as passengers when the accident happened. Mr Abraham was engaged in legitimate police duties, the judge added, but "he drove too fast on the wrong road at the wrong time".



Parker and Lady Penelope, two of the original models used in the "Thunderbird" series on television, with the commissionaire at Phillips, who are to auction them next month.

Call to end trend for fewer and larger farms

By Hugh Clayton
Agriculture Correspondent

The trend towards fewer and larger farms was "profoundly disturbing", Mr David Hunter-Smith, chairman of The Smallfarmers' Association, said yesterday.

"We believe that methods must be found to curb this trend towards the production of smaller units in British agriculture," he told the first conference of the association at Reading, Berkshire.

It was founded by farmers concerned about the increasing dominance of agriculture and farming unions by large estates, a growing minority of which are owned by companies and finance houses. Its first aim quoted on application forms for membership, is "to retain the family farm such as can be worked by an efficient family".

Mr Hunter-Smith said that the number of pig farmers in England and Wales was halved between 1968 and 1975 and the number of wheat growers fell by almost a quarter. "We do not regard ourselves as being a substitute for any part of the farm lobby, but we do feel that the voice of the small farmers needs to be augmented."

In this age of change and challenge, of microchip, high energy costs, high unemployment and industrial malaise we need more rather than fewer families rooted to the land as self-employed countrymen and women. Therein lies greater national stability."

The Duke of Buccleuch and Queensberry, a patron, said: "Despite some misinterpretation of initial pronouncements of the association, no one is seeking to put the clock back to the days of peasant farming."

The latest figures from the European Commission showed that only one farm in 50 in Britain has fewer than 25 acres, compared with a tenth of those in the Irish Republic and a third of those in Italy.

The duke suggested that partnerships with landowners offered one of the best ways of meeting the association's aim of finding more farms for qualified young people who had no hope of buying estates at today's high prices. The political and legal climate had contributed to a reduction in the number of farms available for renting.

He said: "Plans to satisfy the legitimate desires of the association should be commercially realistic. They should avoid adding any extra burden to the shoulders of the long-suffering taxpayer."

held for questioning £3m silver robbery

Tendler last night claimed by detectives the theft of silver worth more than £3m from a house in Essex. The men were held in London.

A reward of £5,000 was offered by the police for the recovery of the silver. The thought to be the best in Britain.

The silver was destined for East Germany, where it was insured with the state insurance company, which released part of it in the London market.

The loss adjusters have yet to complete their report on the robbery and the security procedures. They involved a guard, aged 57, who was with the silver in the London market.

Both the guard and the shipping agent travelling with him in a car behind the lorry carrying the silver were released by detectives from Scotland Yard's central robbery squad after questioning. But the lorry driver was still at the North East London Police Station yesterday.

Father loses son's £5,000 bail

Mr Ezekiel Anthony, aged 54, a lorry driver, forfeited £5,000 yesterday because his son jumped bail on a drugs charge.

He had stood as a surety for his son, Robert, at Marylebone Magistrates' Court, London, and was ordered to forfeit £4,000 on the spot and the remaining £1,000 within a fortnight, with two months' jail in default.

Italian charged with arson at consulate

A man accused of arson at the £250,000 Italian consulate in Belgravia, London, threatened to kill the Italian consul-general, it was alleged at Horseferry Road Magistrates' Court, Westminster, yesterday.

Germano Grotti, aged 43, an unemployed Italian, of Fernside Road, Epsom, Surrey, was remanded in custody until next Thursday.

He is accused of damaging by fire the consulate building in Eaton Place, Belgravia, on March 23, intending or being reckless as to whether the property would be damaged. It faces a similar charge of arson at the Italian School in Wilton Road, Victoria, on March 17.

Mr Grotti is also charged with making a threat on March 13 to the secretary of the Italian consul-general to kill the consul-general, intending that he would fear the threat would be carried out.

Mr Hart to join BBC

Russell Hart is to join BBC Television after 10 years with independent television. It was announced yesterday. In the summer he will present a new programme about books and writers.

Girls 'squeezed out of higher education'

By Frances Gibb

Girls, particularly those from working-class backgrounds, have been squeezed out of further and higher education because of the closure of teacher training colleges, a report published today states.

The report by the Equal Opportunities Commission, says the proportion of girl school-leavers with one A level who went on to further or higher education fell from 68 per cent to nearly 44 per cent between 1969-70 and 1976-77.

That drop, "a direct result of the cuts in teacher training and the failure of the Government to permit equivalent opportunities,"

Total entry for teacher training places was set at 9,450 in England and Wales for 1978-79, which was just over a quarter of the intake of 36,000 when the system was at its height.

The report was commissioned from Ann Bone, an educational researcher, to establish the effect on women's opportunities of the cuts in teacher training would seek other higher education courses. That has not happened it says.

It showed also that the cuts

Boy tried to kill his family in house fire

From Our Correspondent
Southampton

A boy aged 15 who was not allowed to stay up to watch a late night film on television, plotted revenge on his family, it was alleged at Winchester Crown Court yesterday.

It was added that as his parents, his younger brother and two elder sisters were asleep, he set fire to their council house in Southampton and then cycled away. The house was badly damaged but the five members of his family escaped.

The boy gave himself up to the police and admitted starting the blaze. When charged with the attempted murder of his father he was said to have told detectives: "That is wrong. I intended to kill them all."

The boy, from Southampton, was ordered by Mr Justice Thompson to be detained for life after he admitted five charges of attempted murder and one of arson with intent to endanger life.

Mobile council homes

Peterborough City Council is considering the use of mobile homes for young couples who have nowhere to live.

ENERGY BLUEPRINT NO. 7

ANNED EFFICIENCY AND ECONOMY IN THE USE OF ELECTRICITY

School's heat pumps teach vital energy lessons

ask to school could well be the best usage for anyone currently involved in signing buildings. More precisely, back Roach Vale Primary School, Colchester, is a recent example of a RIBA commendation for good design. The scheme itself, for good design, the school is a model for learning about the advantages of overall approach to environmental design in all types of buildings.

Central to the school's controlled environment are the five heat pumps which provide year-round heating, ventilating and cooling. In winter, the heat pumps use the outside air as the heat source, even when temperatures are quite low. Their output is supplemented by using heat from the warm exhaust air of the building, which is passed over the outside coil of one of the heat pumps. In summer, the occupants are kept comfortable by ventilating the building and, in very hot conditions, the heat pumps are used to provide additional cooling.

Modular Design

But the equipment is only half the story; just as important is the careful consideration given to design of the structure in which it operates. A modular method of building (MCB) is used, purpose-designed by Essex County Council in conjunction with consulting engineers Chamberlain and Partners. This emphasises the importance of heavy insulation for roof and walls, doors with draught lobbies, and sealed windows.

For it is only in a structure itself designed for energy efficiency that an efficient, economic and controllable environment can be created.

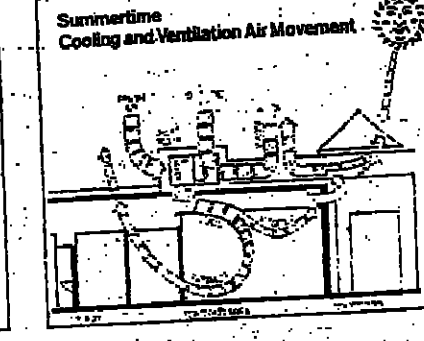
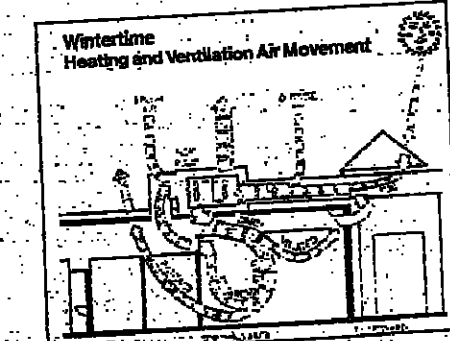
But Roach Vale is only a stage in the process of learning from succeeding stages of design development. And now that reduction of energy consumption is a real concern, the implications of that

process extend far beyond schools into buildings of all types and sizes. In energy matters, industry and commerce can no longer afford to spend indiscriminately - and re-education often starts with small pioneering projects like Roach Vale.

For more information tick box No. 1.



Roach Vale Primary School: efficient controllable environment.



Heat pumps - the energy savers

Heat pumps. What are they? What do they do? The title page of a new booklet from the Electricity Council gives the short and simple answer: the energy savers.

Saving energy is what the heat pump is all about. In installations throughout the country - offices, shops, banks, schools, social clubs, restaurants - big economies are being made.

Of course, the needs of such a variety of premises are bound to be varied. But heat pumps are readily available in sizes suitable for most situations where a controlled environment is required all year round. For a copy of the heat pump booklet tick box No. 1.

Annual energy savings of well over 50 per cent and a greatly improved working environment - these are the results of comprehensive improvements to an 1860m² office area at the International Harvester Corporation in Doncaster. Modernisation in four areas - lighting, heating, cooling and insulation - has brought the office right up to date.

It is true to say that before the changes the single-storey office was virtually a relic of the steam age - its principal heat source was an antiquated underfloor steam system. In winter this struggled unsuccessfully to combat cold down-draughts from the abundance of roof lights. In summer, the same glazing caused significant overheating, which could only be remedied by the simple but haphazard expedient of opening doors and windows. So everyone suffered - the office staff physically, and the company financially, with the regular arrival of large fuel bills.

Action

In its modernisation suggestions the Yorkshire Electricity Board looked at all areas affecting energy expenditure together and identified four main areas for action:

1. A new false ceiling was necessary over the whole office, to be used as a return airplenum with air-handling/light fittings.
2. Efficient roof insulation needed to cut seasonal heat loss or gain.
3. Lighting levels were to be upgraded in line with the IES Code standards.
4. Air conditioning - essential for summer comfort and proper air distribution.

Office face-lift brings 50 per cent savings



Better working conditions at International Harvester's Doncaster Office.

The addition of two heat pumps for even greater heating economy means that in practice the YEB recommendations have brought the total annual reduction in energy consumption to over 50 per cent.

The original refurbishment has been so successful that International Harvester are now adopting the same principles in modernising other offices on the same site. In the latest case they are obtaining even

better savings by using optimum start control. So now International Harvester can count on energy bills considerably smaller than those of its steam-age days. And it can also count on the immeasurable advantage of efficient and comfortable working conditions.

For more information tick box No. 2.

Electric boost for hotel trade

Winter holidays, once seen as a continental luxury, are now an area of considerable growth potential in the British hotel trade. And at the Madeira Hotel, Falmouth, this potential is now being realised with the help of a recent electric modernisation programme. For under £5,000, the new electric system is being used to supplement an existing oil-fired boiler, to provide a warm and welcome addition for management and winter visitors alike. It makes use of electricity for both heating and hot water needs, while keeping installation and operating costs to a minimum.

The seafaring hotel, originally five turn-of-the-century houses, is open all the year round and accommodates over 90 guests. Its owners at first considered installing a larger oil-fired boiler, but capital costs and the expensive replumbing necessary weighed against it. The basic existing oil-fired system supplied heating to the ground floor and hot water to a few of the bedrooms.

Electric equipment could have been used in a variety of ways to supplement this. In the end electric panel heaters with integral thermostat control were chosen for heating 42 of the 49 bedrooms. These cut waste because they are used primarily when the rooms are occupied, leaving

guests free on arrival to choose the room temperature that suits them best. Heating on the landings also has thermostatic output control; in this case using storage fan heaters.

Flexible

The same flexible approach has been applied to meeting the hot water requirements for new shower installations. For the second floor bedrooms 13 electric instantaneous units ensure that energy use is cut right down to the time it takes to have a shower. For the more continuously used first floor bedrooms, water for showers and baths not supplied by the existing system is

provided by off-peak electric heaters in well-insulated storage cylinders. The hotel owners were particularly satisfied by the reduced amount of pipework needed, and the low operating costs achieved.

Manager Mr Turner was pleased with the way the heating coped even on the coldest days - no boost at all had been needed. When unoccupied, the rooms had been kept aired with the heaters on a lower setting, thus providing the guests with a warm welcome through the whole winter. Annual operating costs for 1978/79 including the cost of lighting, TV, etc, came to just under £4,000.

For more information tick box No. 3.

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HOME NEWS

Wartime accusation by the Foreign Office on ILP campaign

Beaverbrook's 1940 'compromise peace plan'

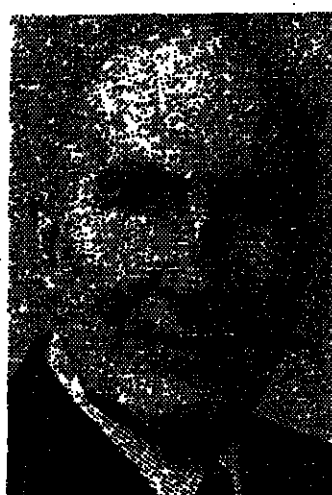
By Peter Hennessy

Foreign Office accusations that Lord Beaverbrook was funding and encouraging a campaign to secure a compromise peace with Hitler in March, 1940, a few weeks before he joined the Churchill wartime coalition government as Minister of Aircraft Production, are disclosed in the April issue of *War Monthly*, published today.

Mr Roger Makins, a Foreign Office official, later Ambassador to Washington and Permanent Secretary to the Treasury (now Lord Sheffield), expressed concern in internal FO minutes that Lord Beaverbrook's enterprise was arousing alarm in France. He wrote:

I have tried to calm these greatly justifiably disturbed minds by telling them not to attach too much importance to this merchant... Lord Beaverbrook is a budding Mr Kennedy (United States Ambassador to the United Kingdom) and of most of the "Money-in-out-time Brigades"—a detachment of the Fifth Column.

Lord Beaverbrook, the FO discovered, had offered to finance a peace campaign to be conducted by the Independent Labour Party (ILP). Mr John McGovern, an ILP MP, later alleged that Lord Beaverbrook, at a dinner in Stornoway House, his London home, had offered



Lord Sheffield: Tried to calm the French.



Lord Beaverbrook: "A buddy of Mr Kennedy."

£500 for every seat the ILP fought, and to send "special reporters" from his newspapers into the constituencies "because he saw no sign of Britain beating Germany."

Another FO official, Mr Charles Peake, had heard from Mr Kingsley Martin, Editor of the *New Statesman*, that "left and right-wing pacifists are making common cause." Mr Makins was in no doubt about

the harm that might do. He wrote: If he goes on with this he will do a great deal of damage (1) here (2) in France (3) in the USA, where there is anyhow considerable distrust of us and (4) he will be a great gift to German propaganda. He should therefore be stopped... For the peace he has in mind would only result without fail in our all having our throats cut in a couple of years.

Mr Winston Churchill defended Lord Beaverbrook in June 1941, when Mr McGovern made his accusation on the floor of the House of Commons. But the author of the *War Monthly* article, Dr Charles Cruickshank, the leading historian of deception and black propaganda on the British side in the Second World War, is convinced by papers he has discovered at the Public Record Office that Lord Beaverbrook was indeed engaged in the activities ascribed to him by the FO in 1940.

Big damages awarded to former BL chiefs

Large undisclosed damages for libel were awarded against Associated Newspapers in the High Court yesterday to Mr Alex Park and Mr David Andrews who were British Leyland senior executives, over articles in the *Daily Mail* in 1977 alleging bribery and corruption at British Leyland.

The awards were "very substantial indeed," Mr Justice O'Connor was told. Lawyers later agreed that they were well into five figures.

Mr Park was formerly chief executive of British Leyland and Mr Andrews managing director of the Leyland International Division.

Mr Park is now director and vice-president of IIT (UK) Ltd, and Mr Andrews is executive vice-chairman of BL Ltd (formerly British Leyland). As well as the damages awards they received an apology and their costs.

Mr Richard Hartley, QC, for Mr Park and Mr Andrews, said maximum publicity and sensational presentation was given to a "world-exclusive" exposé by the *Daily Mail* in which it was alleged that British Leyland was operating a worldwide web of bribery and corruption and that there was a slush fund of millions of pounds to be used to bribe governmental officials and others to win export orders in overseas markets. The allegations were repeated in the world's media.

The allegations were, in part, based on a number of forged documents, for which the newspaper had been induced to pay a large sum of money in the belief that the documents were authentic. Among them was a forged letter purporting to be from Lord Ryder of Eaton Hastings, then chairman and chief executive of the National Enterprise Board, to Mr Park.

That forgery, for which the forger, Graham Barton, was later jailed for two years, referred to Mr Park's "recommendations" for the control and payment of the alleged bribes and specifically mentioned "international" of which Mr Andrews was managing director, as the division concerned.

Graham Barton confessed to the forgery of the "Ryder letter". The newspaper apologised by the *Daily Mail* and Mr Park but the apology was concerned only with the "Ryder letter".

Mr Hartley said that although their names were cleared within British Leyland by the NED and the Government, in the absence of any withdrawal or apology from the *Daily Mail* in respect of the general allegations of bribery and corruption, the shadow of those allegations had hung over them.

the harm that might do. He wrote: If he goes on with this he will do a great deal of damage (1) here (2) in France (3) in the USA, where there is anyhow considerable distrust of us and (4) he will be a great gift to German propaganda. He should therefore be stopped... For the peace he has in mind would only result without fail in our all having our throats cut in a couple of years.

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Dr Cruickshank said last night: "If you take the FO file on the matter, the case against Lord Beaverbrook could be described as 'not proven'. But place it alongside Mr Churchill's own file and the two together produce an explosion."

After Mr McGovern had accused Lord Beaverbrook in the Commons, Mr Churchill asked his friend if there was any truth in the allegations. Lord Beaverbrook drafted two statements for Mr Churchill denying Mr McGovern's account, neither of which, Dr Cruickshank says, satisfied the Prime Minister.

The episode was finally settled in a telephone conversation between Lord Beaverbrook and Mr Churchill, the record of which has been kept.

War Monthly No. 75, vol 8 (PO Box 249, London, SW5 0PR, 75p).

Auction law reminder to dealers

By Geraldine Norman

Sale Room Correspondent

Lord Westmorland, the new chairman of Sotheby's, has made a controversial move in writing to the main dealers' association to remind them of auction bidding law and request them not to break it. He has written to the British Antique Dealers' Association (BADA), the Society of London Art Dealers (SLAD), and the London and Provincial Antique Dealers' Association (LAPADA).

The text of the letter has not been disclosed and Sotheby's say it was a "confidential matter". But Lord Westmorland is understood to have drawn the dealers' attention to the Auction (Bidding Agreements) Acts of 1927 and 1969, which outlaw certain forms of agreement between dealers not to bid against each other, unless they have notified the auctioneer in writing before the sale.

Sotheby's appear to be taking the line that all types of agreement between dealers must be reported to the auctioneer before the sale if they are to be legal. This is the view of the dealers' associations have been taking legal advice on the interpretation of the law, and it looks as if they are coming up with a different interpretation.

Mr J. Baer, president of SLAD, said yesterday that he had written privately to Lord Westmorland about the matter, but it could not discuss in what terms.

It did point out that there was an element of the pot calling the kettle black on the issue of auctioneers' catalogues and owners advised to set reserves at sensible levels, dealers would have little room to abuse the auction system.

Island sells old buses for £2,700

An auction sale of old buses yesterday by the Channel Islands Railway Co raised more than £2,700 and attracted collectors from all over the United Kingdom.

Twenty-three buses dating from 1932 to 1938, three used during the German occupation of the Channel Islands, fetched between £50 and £380.

WEST EUROPE

Walker plan would bar cheaper food imports

From Michael Hornsby

Brussels, March 27

British consumers will be denied the cheaper food imports resulting from the recent sharp recovery of sterling if Mr Peter Walker, the Minister of Agriculture, succeeds today in a plan to change EEC rules to give better protection to British food traders and farmers.

Mr Walker maintains that Britain is at a competitive disadvantage in its food trade with other member states because of the way the notoriously complex "green" currency system operates.

His attitude, however, is difficult to square with the traditional British complaint that the EEC's Common Agricultural Policy penalizes the consumer by maintaining food prices at artificially high levels.

Other member states saw the British move as a further example of Anglo-Saxon "protectionism" favouring their domestic farmers while in the same breath demanding a "freeze" of EEC prices for Continental farmers.

The trouble has arisen because for the first time since Britain joined the EEC the pound has risen above the green exchange rate used to translate the Community's common farm prices fixed in units of account into sterling.

On the basis of the calculation used by the European Commission, the pound is now 2.4 per cent above its green rate, whereas at times in the past it has dropped to as much as 40 per cent below.

When the pound is below its green rate the gap is bridged by a favouring their domestic farmers while in the same breath demanding a "freeze" of EEC prices for Continental farmers.

Under existing EEC rules, however, the first 2.5 per cent in effect is a "green" rate, the taxes and subsidies known as monetary compensatory amounts (MCAs), do not apply unless the divergence is greater than this.

This means that for the moment the appreciation of the pound is not covered by the application of MCAs and consumers are getting the benefit of cheaper imports.

Mr Walker's contention is that there is an in-built distortion in the system, and that there can be a gap of as much as 5 per cent between British prices and those in another member state, without any of this being covered by MCAs.

He wants the MCAs to apply immediately.

Mr Walker added insult to injury by telling the French that the British Government would need at least 24 hours to consider whether to agree to a French request for a 3.7 per cent devaluation of the French franc "to boost French farmers' incomes."

Increase in French cost of living persists

The inflationary trend in France, which took a turn for the worse in January, persisted last month with a 1.1 per cent index.

Although less than the January increase of 1.9 per cent, it corresponds on the basis of the last three months to an annual rate of inflation of 16 per cent.

For they went up 0.6 per cent in February, as against 1 per cent in January, while increase in the cost of living services rose by only 0.8 per cent compared with 1.8 per cent last month. The culprit is manufactured goods, which have risen in price by 1.5 per cent, after a 2.5 per cent increase in January.

The increases in the price of gold and silver in the past few months have led to a sharp rise in the costs of many goods and services, like jewelry and dentistry. The rise in oil prices—10 per cent since the beginning of the year and 22 per cent in a year—is also to blame.

But both those factors account only for about a third of the rise in the index of manufactured goods; the rest is due to the strong inflationary trend of recent weeks. Wholesalers and retailers have taken advantage of strong demand to widen profit margins.

To correct the effect of inflationary trends on savings, the Government yesterday decided to increase the interest on savings deposits by 1 per cent to 7.5 per cent. It had withstood strong pressure to raise these interest rates in order to channel investments into bonds and shares, which produce more than 14 per cent interest.

Gaullist leaders win case against journal

From Charles Hargrove

Paris, March 27

M. Philippe Alexandre, a well-known politician commentator on Radio Luxembourg, was sentenced by a Paris court yesterday to pay a 1,500 franc fine (about £166) and one franc damages each to M. Jacques Chirac and 10 other Gaullist leaders.

The sentence was for suggesting that Gaullist leaders had deliberately disclosed information to the press about the involvement of South of France property deals of M. Robert Boulin, the former Gaullist Minister of Labour, Mr Boulin's suicide last October after disclosure of the deals.

The Gaullist leaders brought the case against M. Alexandre to exonerate the Gaullist party from any suspicion that it had been responsible for this disclosure to ruin the political prospects of M. Boulin, a Gaullist favourable to President Giscard d'Estaing.

During the hearing of the case 10 days ago, two former Gaullist Prime Ministers and several Ministers appeared in court and declared they had never heard of the property case before it was published in the press. They maintained that M. Alexandre, it stated, had offered to produce in court proof of the facts he had alleged in his broadcast, but he had not done so. He had made libellous charges against the Gaullist party and its president, while not being able to produce proof of these allegations by



The Pope embracing Cardinal Sliwka yesterday after nominating him as Archbishop of Lviv.

Ukraine Church leader nominated

From John Earle

Rome, March 27

The Pope today announced the nomination of Monsignor Myroslav Ivan Ljubachivsky, Archbishop of the Ukrainians in Philadelphia, to succeed Cardinal Jozef Slipyi, aged 88, as Archbishop of Lviv and head of the Ukrainian Catholic Church. He will succeed to the appointments on the cardinal's death.

The Pope made the announcement to the closing session of the synod of Ukrainian bishops here. He said Mgr Ljubachivsky's name had been first on the list of three which the synod had submitted to him at its opening on Monday. The synod is now ended, and the 14 bishops will return to their places of residence in exile.

Mgr Ljubachivsky was born 65 years ago at Dolyna in the archdiocese of Lviv in the Ukraine, and was ordained priest in 1936. The opposition to him has subsided since the Pope appointed him Archbishop of Philadelphia last September.

September 27, 1979, by the Pope. The Pope's decision was a surprise to many, as the synod had submitted three names to him, and the Pope had chosen the one who was least known to the faithful.

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The

Imported Office Equipment

	1979
Hand held Calculators	72%
Ballpoint pens	60%
Typewriters	71%

Imported Household Goods

	1979
Toys/Games	51%
Heated Rollers	99%
Hairdryers	78%
Mirrors	60%
Clocks	61%
Furniture	22%
Carpets	16%
Vacuum Cleaners	31%

Imported Kitchen Equipment

	1979
Dry Irons	45%
Domestic Glassware	66%
Cutlery	70%
Saucepans/Frying Pans	36%
Kitchen Knives	40%
Toasters	61%
Electric Cookers	21%
Hand held Mixers	58%

Imported White Goods

	1979
Dishwashers	99%
Fridge Freezers	68%
Automatic Washing Machines	44%
Refrigerators	32%
Spin Dryers	28%

Imported Clothing/Accessories

	1979
Footwear	34%
Luggage (leather)	57%
Handbags (leather)	72%
Mens/Boys Tailored Outerwear	33%
Womens/Girls Outerwear	28%
Mens Shirts/Overalls	38%

Imported Leisure Equipment

	1979
Sports Equipment	74%
Bicycles	30%

Imported Audio Visual

	1979
Television B & W	50%
Television Colour	27%
Portable Televisions	53%
Record Players/Decks	51%
Portable Radios	96%
Music Centres	66%

Imported Vehicles

	1979
Cars	56%
Commercial Vehicles	23%

Import Trends

	1970	1979
Agricultural Machinery	22%	44%
Machine Tools	28%	48%
Construction Equipment	40%	71%
Mechanical Engineering	19%	32%
Textiles	14%	33%

BUY NOW, PAY LATER.

Buy something made outside Britain and we pay twice.

Once over the counter. And again when we pay for the unemployment we're helping to create.

Each time we choose a foreign-made product rather than one made at home, we drive another nail in Britain's industrial coffin. So why do we buy so many foreign-made goods?

It's true that there is sometimes no real choice. Whole industries that once flourished in Britain no longer exist.

And the trend for many other industries is looking increasingly unhealthy.

Things wouldn't be quite so bad if we were able to export our way out of trouble. But our

exports are only growing at one tenth of the rate of our imports.

Right now it must be sensible for us to stop trying to pin the blame on each other. And start trying to put things right instead.

We could all make a start by buying British whenever possible.

This doesn't mean that we should choose British goods out of blind patriotism.

But that we should never ignore a British-made product in the mistaken belief that it cannot be as good as a foreign one.

Foreigners find our defeatist attitude amusing. And extremely profitable.

They instinctively support their own industries by choosing home-produced goods.

Which is almost certainly why the problem is unique to Britain.

One industry at risk right now is the motor industry. An industry whose importance to Britain cannot be overestimated.

It brings employment to millions of workers. It trains most of our engineers. Indeed it is our biggest single manufacturing industry.

BL is the only British owned volume car maker. The other large manufacturers can, and do, switch car production away from Britain.

Not so BL.

Which is why it's so important for BL to succeed. And remain British owned.

Of course BL would have a tremendous amount to gain from a shift in attitude towards

the British buying British.

But the problem doesn't just belong to the motor industry.

It affects us all. And it's striking deeper and deeper every day.

Not too long ago, our standard of living was the highest in the world.

Now we're not even in the top twenty.

The climb back will not be easy. But we can all begin today by taking a fresh look at British manufactured goods.

Next time you're looking to buy anything, but especially a motor car, see how the British product stacks up first. If then you find it doesn't suit you, we'll be surprised. But we'll have no complaints.

OVERSEAS

Discontent that led to bazaar strike poses a serious challenge to President Assad's authority

Inflation and corruption threaten the Baathist regime in Syria

From Robert Fisk
Aleppo, Syria, March 27

In Aleppo's cloth bazaar the silks and brocade hang in gold along the vaulted tunnels beside the Citadel. Most of the shops have reopened although the merchants make no attempt to tout for custom.

English-speaking shopkeepers revert to Arabic if foreigners ask awkward questions about the recent strike in the bazaar and if the merchants suspect that foreigners understand Arabic they find other things to do.

Only a few are prepared to speak their minds and they do so quietly, as if the security

police were still walking the streets. One man, measuring his cloth for non-existent customers, was blunt enough. "We do not like socialism and we do not like the Russians," he said. "You cannot work and make money under socialism."

It was, in fact, less a reflection of ideological anger than it was a distaste for the particular kind of Baathist economic policy that combines a tolerance of capitalism with progressive taxation and an apparent inability to control corruption. The merchant would hazard no guesses about Syria's future; he wanted to emigrate to the United States.

It would not have been that way four years ago. In the aftermath of the 1973 Middle East war, the rich Arab states channelled millions of pounds into Damascus and Syria rode the boom.

But the Government's planners failed to predict the sudden decrease in overseas investment that followed the recession in Europe and the United States. When the Gulf states cut their aid as well, the Syrian press began attacking the "reactionary" Arab regimes who had so cruelly deprived the country of its expected annual turnover.

But imports continued to flow into Syria, prices soared and so did inflation. The middle classes were the first to feel the pinch.

The merchants of Aleppo are the cream of the Sunni Muslim bourgeoisie with a smart but scarcely powerful Armenian minority as their economic ally. It was with no great sorrow for President Assad that they closed down their bazaar for two weeks as a protest at the Baathist Government.

Inflation now stands at 30 per cent a year and the Government's latest wage increases and price fixing legislation have hurt Aleppo's middle classes in

a way they have not suffered before.

At the height of the disturbances in Aleppo, the merchants of Damascus also proposed the closure of the capital's bazaar. There were several hours of angry debate in the city's Chamber of Commerce before, according to four Damascus merchants, President Assad himself suddenly appeared to address the meeting.

He apparently made a long and forceful appeal to the businessmen to call off their proposed strike and promised to investigate anew their grievances against the government. He also agreed, according to the

World View

by ARNOLD

Gauging West's mood through a glass da

The following assessment of the mood of the West in the present world crisis is based on a full week of discussions, almost 100 hours of talks, between representative figures of the "Trilateral world".

We first held in Florence, at the European University Institute, a Euro-Japanese meeting (the fifth "Bakone conference"), with some 30 participants, mostly academics and researchers. We then moved to London, where more than 200 of us met for the annual conference of the Trilateral Commission, which includes, in addition to specialists in international affairs, many politicians and business leaders.

The founders of the commission had, eight years ago, the luck of choosing, among other unknown American politicians and eager Governor of Georgia, a nuclear engineer who made his apprenticeship in world affairs inside the Trilateral Commission.

A few years later more than a dozen members of the commission became members of the Carter Administration: an impressive achievement, although, judging from what happened later, not all will agree that this was the best administrative qualities of commission members.

This also gave rise to the idea that the commission might be some sort of "secret world government". It is not, but it is a very good international debating society, whose annual conference offers a balanced view of what the West really feels about the state of the world. It is better than any other similar conference or summit meeting.

Trilateralism for the 1980s

Being unable to sum up in a few hundred words a hundred hours of discussion, I shall use somebody else's words, quoting the highlights of the most impressive speech that I heard during the whole week. It was by Mr Kiichi Miyazawa, one of the founders of the commission, and a former Foreign Minister of Japan.

He is a small, gentle man, who proposed to us with quiet conviction some very powerful thoughts and expressed, by so doing, better than anybody else, the mood of the conference. Here is the trilateralism of the eighties, in six points:

1. "We no longer live in a world in which America occupied the dominant position and exercised her leadership... though she is still by far the greatest power among the industrialized democracies and the

stronger of the powers.

2. "The power in the world has, under changing circumstances, moved from the West to the East. This is one of the two after two decades efforts to build up a new world order. The East continues to be a major area of influence and opportunities. America is in the process of assuming a more in global political issues. It was only America to ask partners to take responsibility for the world's future. America should not be reluctant to share responsibility with a way commensurate power their conceptual of their own role or at best regional and not be its objective.

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4. "If Europe and Japan are to share responsibility with a way commensurate power their conceptual of their own role or at best regional and not be its objective.

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Alexandria talks open in gloomy atmosphere

From Christopher Walker
Alexandria, March 27

In an atmosphere of growing international pessimism about the future of the Middle East peace process, senior Israeli and Egyptian ministers met in Alexandria today for a crucial round of talks aimed at narrowing the wide differences on the issue of Palestinian autonomy.

The talks opened against a background of mounting Israeli intransigence about Jewish settlements in the occupied Arab territories and gloom among senior American officials doubting that either side is prepared to make sufficient concessions.

The issues include the voting rights of the 100,000 Arabs living in annexed East Jerusalem, the jurisdiction and powers of the proposed autonomy council, and the future of Israeli troops in the occupied territories during the five-year transitional period under consideration.

Today's series of formal and informal meetings is designed to lay the groundwork for the top level talks to be held in Washington next month between President Carter and President Sadat of Egypt, who is due there on April 8, and Mr Menachem Begin, the Israeli Prime Minister, who is to arrive at the White House a week later.

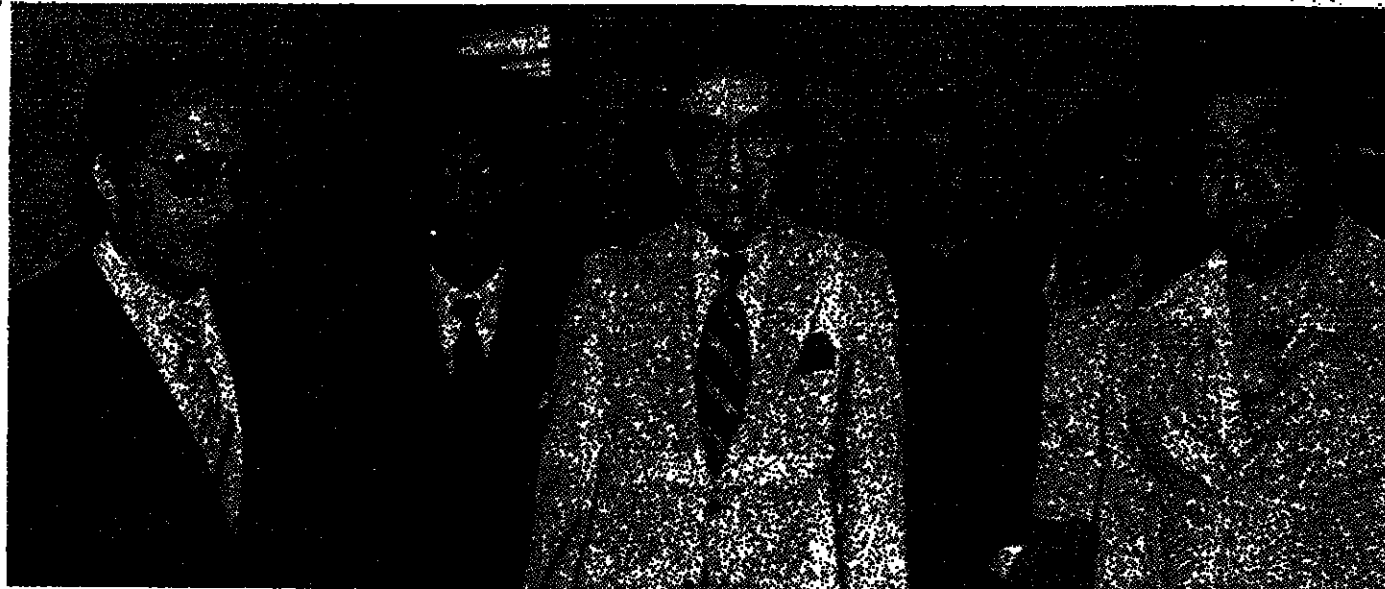
Because of Israeli sensitivity over the name of Alexandria's main hotel, The Palestine, today's talks were held in a more modest hotel on the blustery and broken down sea-front.

"We have tried to persuade them, but there is no way that the Israelis will use a hotel with a name like that," an Egyptian official explained.

Egyptian discontent was indicated in a strongly-worded leading article in yesterday's edition of the Cairo newspaper, *Al-Ahram*, which said: "Israel's position in the autonomy negotiations has consistently been characterized by its feverish endeavours to forestall the accession of Palestinian self-rule, whether in the West Bank or Gaza."

It added: "But what is still more serious is that Israel has been keen to consolidate its existence in the West Bank and Gaza so that it can justify its sovereignty in those areas... Israel's attitude towards Palestinians is irrevocably hostile."

Among those taking part in today's talks are Mr Yitzhak Shamir, the new Israeli Foreign Minister, and Mr Ariel Sharon, the outspoken Minister of Agriculture. Both are among the strongest advocates of the rights of Jews to settle in any part of the Arab lands seized during the 1967 war.



Dr Michael DeBakey, the American heart surgeon, arrives in Cairo to treat the Shah who is soon to have his spleen removed. President Sadat visited the Shah in hospital yesterday.

Israeli troops stop outsiders entering Hebron

From Moshe Brilliant
Tel Aviv, March 27

Israeli soldiers cordoned off Hebron today and barred non-residents from the city where Arab nationalists have been protesting at the Israeli Government's decision to set up two Jewish boarding schools there.

Troops guarded the town hall and prevented 30 local women from entering to hold an anti-Government sit-in.

The precautions taken by the military government were apparently a reaction to speeches calling for civil disobedience made by Arab political and religious leaders earlier this week.

An officer in the military administration said the restrictions on entry into Hebron were selective and intended to prevent political leaders from con-

verting tomorrow's Muslim Sabbath service in the Tomb of the Patriarchs into anti-Government demonstration.

Arab mayors turned away from Hebron today met in El Bireh, near Jerusalem, and issued a communique pledging to struggle with all the means at their disposal to frustrate the Government's decision to protect the Arab character of Hebron.

The West Bank was relatively orderly today. But in the Ramallah area three armed men set up a road blockade and stopped four Israeli buses. One bus was set on fire with a petrol bomb. After smashing windows in the other buses, the gunmen fled into the hills.

Implementation of the decision to set up schools in Hebron was held up indefinitely.

Mr Vance seeks new look for US foreign policy

From David Cross
Washington, March 27

Mr Cyrus Vance, the Secretary of State, today sought to stem growing criticism of the Administration's foreign policy by giving it a new sense of direction.

The forum for what the State Department regards as an important policy speech was the Senate foreign relations committee, whose members have taken the Administration to task for recent muddles such as America's Middle East vote. Members have made it clear they believe that President Carter's foreign policy lacks coherence and purpose.

Mr Vance said that "despite differences on decisions we have made", the United States could now shape new foreign policy consensus about its goals in the world during the 1980s.

Such consensus could be built around agreement on two central points, he said. First, the United States must maintain a military balance of power; and second, its military strength must be built on its alliances and other international ties, its economic resources, its ability to deal with diversity and its ideals.

"Our most basic interest, and first priority, is the physical security of our nation—the safety of our people. This requires strong defence forces and strong alliances. It also requires that we and our allies

firmly and carefully manage a second area of concern—East-West relations."

In this context, Mr Vance said, the recent invasion by the Soviet Union of Afghanistan was "not only a challenge to our interests but to those of our allies as well..."

Mr Vance said that as things stood, the Administration saw no sign of a Soviet withdrawal from Afghanistan. As long as Soviet forces occupied that country, sanctions taken by the United States would remain in force.

Nevertheless, the United States was not seeking a new cold war or indiscriminate confrontation with the Soviet Union.

Mr Vance said the Administration continued to support ratification by the Senate of the new strategic arms limitation agreement. On relations with Iran, he said the Administration had used firmness and restraint. But he was unable to offer any hopes of an early breakthrough in efforts to secure the release of the hostages.

Jamaica strike ends

Kingston, Jamaica, March 27.—Jamaican civil servants last night called off a strike after the Government decided to withdraw dismissals of 500 temporary clerks that prompted the stoppage on Tuesday.

Bonn holds key to European Olympic boycott

By David Spanier
Diplomatic Correspondent

The question, "Who is going to the Olympic Games and who is not?" is still quite difficult to answer. In the first rush of enthusiasm for the boycott, up to 50 countries indicated that they had doubts about sending teams to Moscow. Since then, there has been a noticeable waning of anti-Olympic zeal.

That said, it is quite clear so far as Western Europe is concerned, will come from Bonn. It is generally assumed that if the West Germans do not go, the French would be most unlikely to compete either, and that the rest of the EEC would probably follow suit.

Beyond Europe countries like the United States, Australia and Kenya have remained steadfast in their opposition to going to Moscow. But the members of the Islamic conference, who overwhelmingly condemned the Soviet invasion of Afghanistan, have been somewhat inactive in ratifying their original objections to Moscow.

Mafeking again escapes the B

From Eric Marsden
Johannesburg, March 27

Mafeking, the siege town in the western Transvaal which sent Londoners into a patriotic frenzy 90 years ago, has again escaped from the Boers. It is to be transferred from the Republic of South Africa to the two-year-old independent homeland Bophuthatswana after constitutional safeguards for its white, Coloured (mixed race) and Indian residents have been agreed.

The decision, announced in Cape Town during a state visit by President Lucas Mangoshe of Bophuthatswana, comes after a year of talks during which most of the townspeople expressed themselves in favour of the change of status.

They have asked for a five-year transition period during which they will remain South African citizens, and for safeguards against a fall in property values and educational standards.

Jokes about the siege have worn thin in Mafeking. "Do not write that we have been relieved again", a civic official

asked, but inevitably that is how the story was reported over the radio.

Par of Colonel Baden-Powell's defence lines are still on view and the siege museum has fading photographs of the young men who were organized for non-combatant duties and gave Baden-Powell the idea for the Boy Scout movement.

Apart from its historic mementoes, Mafeking is a fairly typical South African small town, with about 6,000 whites, 3,000 Coloured and 350 Indian residents. It is about 10 miles from the border of Bophuthatswana and its department stores rely on black customers from the homeland, who provide nearly 90 per cent of their trade.

The Bophuthatswana Government rents offices in the town as its official capital, Mmabatho, a few miles to the north, is still rudimentary. It consists mainly of a parliament building, houses for the President and ministers, a stadium which attracts the Johannesburg smart set at weekends.

Mr Andries Bloem, the mayor of Mafeking, says he does not

expect an exodus of white residents. Apartheid, about 20 miles away, has given way to a Black government. Officials are regulars at the hotel, the only one in the town, for racial mixing is African law.

Mafeking's change has a wider implication: the second white handed over to a land government, the Port St John, which is to be transferred to Transkei, may be seen as an in the greater context land promised by Botswana's Government the black homeland viable.

Renewed pressure from leaders of the land for similar Ciskei has laid the Indian Ocean port of don and to King Town, Lebowa was burg in the northern and KwaZulu is in Richards Bay, the developing port in Natal.

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Michael Hagg Marketing 16137

23 die in mine lift accident

Johannesburg, March 27.—

The lowering cable on a lift cage in the world's deepest mine snapped today plunging 23 miners more than a mile to their deaths. The accident at the Vaal Reef gold mine, 100 miles south-west of Johannesburg, was the worst to hit the South African gold mining industry this year.

A mine spokesman said three white and 20 black miners were being lowered to work in the mine's No. 2 shaft, when the cable suddenly parted.

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Battle for Chad capital gathers momentum while talks on ceasefire continue in cathedral

Ndjamena, March 27.—Heavy artillery fire was exchanged in Chad today, with the most intense shelling coming from positions less than 200 yards from a ceasefire committee trying to hammer out a truce between rival factions.

This was the sector round Camp 13 April held by the Armed Forces of the North of Mr Hissene Habre, the Defence Minister, which are fighting for the capital against the popular Armed Forces of President Goukouni Oueddega.

On Mr Habre's southern flank, at the entrance to a bridge on the Chari river, the Chadian Armed Forces of the Southern Army, Vice-President Wadal Abdelkader Kamougue, were shelling the Defence Minister's troops, according to Mr Djoua Goid, the Minister of Justice.

Fighting resumed at dawn today, the sixth consecutive day in the battle for this battered city which is without water or electricity.

About 100 Europeans are still in Ndjamena, most sheltering in the French military base from which they are to be flown today by French military transport aircraft to Douala, in Cameroon. Officials said that

some of the Europeans were trapped between the opposing forces, but some were staying put of their own will.

Ceasefire talks

Fresh troops were reaching Ndjamena from the eastern strongholds of Mr Habre while warriors from the barren northern plateau brought relief to the President's forces.

For the second consecutive day the two sides met in the battered cathedral in a woman's land between the armies to seek a ceasefire with the help of French officers and the ambassadors of Saudi Arabia, France and Egypt.

French officials said the mortar and artillery fire had certainly caused heavy civilian casualties, but it was impossible to estimate the numbers of dead and wounded.

The French force of 1,100 men, grouped at a military base near Ndjamena airport, is under strict orders not to become involved in the fighting.

A number of the first 150 European refugees to reach Paris last night complained they had to make their own way to the military base without the protection of French troops, at the request of Chad leaders.

Officials said that a contingent of 550 Congolese troops, in

Boeing wins Pentagon contract for missiles

From David Cross
Washington, March 27

The Pentagon has chosen the Boeing company to be the principal manufacturer of America's first fleet of air-launched cruise missiles, after several months of trials between competing models.

Boeing secured the main contract for construction of more than 3,000 of the new weapons against strong competition from another leading defence contractor, the General Dynamics Corporation.

The total contract is worth some \$4,000m (about £1,818m) over the next four or five years. Boeing's share of this is likely to be worth between \$1,000m and \$2,000m.

Announcing the decision at a press conference, Mr Hank Mark, the Air Force Secretary, said that the Pentagon selected the Boeing model over the General Dynamics version because it had a somewhat better guidance system and aerodynamic shape. It was also slightly easier to maintain in the field.

Initially, the new missile is to be carried by more than 170 B52G bombers. But these are at least 18 years old



Chairman Hua Guofeng shaking hands in Peking with Mr Francis Pym.

China seeks London plane deals office

Shanghai, March 27.—China has asked Britain for permission to set up an office in London dealing with aircraft contracts and sales, a spokesman for Mr Francis Pym, the British Defence Secretary, said today.

The request was made at talks today between Mr Pym and Mr Liu Dong, Minister of the Third Chinese Ministry of Machine Building, which handles aircraft production and acquisition.

"The fact that the Chinese feel the need for this kind of facility in London for now and the future must be interpreted as an earnest of their intention to expand their trading relations with Britain", the spokesman said.

The Chinese Ministry's London office, still to be formally approved by the Foreign Office, is expected to

be staffed by 10 or 12 people and could be in operation by the end of the year.

According to one British source, the office would conduct negotiations with British companies on the technical details of possible contracts involving civil and military aircraft and associated equipment.

"It would mean there was less need for plane loads of people travelling backwards and forwards to make evaluations," the source went on. "It would also improve communications and hopefully enable us to know more about the changing Chinese priorities."

The source said that, during the talks Mr Pym has had since arriving in China last Sunday, Chinese officials have emphasised the need for China to consider its "overall priorities" regarding foreign pur-

chases and have asked British industry to be patient.

The indication was that the Harrier jump-jet, which China has been negotiating to buy for more than two years, was not a top Chinese priority.

But British sources said the future of Sino-British trade was not dependent on the success or failure of the Harrier deal; there were other projects of equal value which had been discussed.

Today, Mr Pym attended the opening of a British aerospace exhibition here at which more than 80 British companies are exhibiting a wide range of equipment, both military and civil, in the hope of increasing sales to China.

The Defence Secretary is to leave Shanghai tomorrow for Hongkong.—Renter.

Only conclusion to be drawn from latest primaries is that the race is still open

Decided Volatiles come to Senator Kennedy's rescue

Brogan

event the Volatiles gave Mr Kennedy a victory, 59 to 41.

Another name for them is Undecided. Every opinion poll taken before primary day finds huge numbers of people who have not yet decided whom to vote for. Normally, they stay at home, or split up between the candidates in roughly the same proportions that their more decided neighbours have already set.

This time, in New Hampshire, there were 150,000 voters in Florida and Illinois, and Tuesday in New York and Connecticut, the Undecideds decided the race by all plumping together for the same man.

The first lesson of all this is that if people can swing so widely from one candidate to another their future movements cannot be predicted with any safety. Campaign managers, seeking to explain why Mr Kennedy did so badly on March 18 in Illinois and so well in New York and Connecticut a week later, can only conclude that the Democratic race, at least, is still open.

Mr Kennedy is playing the

US Elections



role played in 1976 by Mr Ronald Reagan. President Ford won the first five primaries that year and Mr Reagan was on the ropes, about to be defeated finally, when he won his first primary in North Carolina, on March 23. Mr Carter won six primaries, and lost two (Massachusetts, Senator Kennedy's home state, and Puerto Rico) before New York.

In 1976, Mr Reagan went on from his first victory to carry the South and West, and to win 80 votes of defeating President Ford at the Republican convention. He lost, he helped the Democrats win the general election, and it seems that he has returned to the nomination, and perhaps the White House, four years later.

There are two rather esoteric theories to account for Mr Kennedy's recovery. The first is that he has been seen to suffer with dignity, that the great volatile American subconscious, having seen the last of the Kennedy humiliations and again, has at last pardoned him for being a Kennedy and claiming the presidency as a right and for Chappaquiddick and other personal shortcomings, and has concluded that the time has come to reward him for his courage in adversity.

The other theory is that people are at last paying attention to what the senator is saying and have at last come to accept his theses on national health, inflation, oil prices and so on.

These theories are both rather far-fetched—but how else to explain why the Jews of New York did not? The bad news on inflation came a couple of months ago and ought to have been widely discounted by now.

Nothing happened between Illinois and New York.

This week's were very bad news for the President, and if his rival does well in Wisconsin next Tuesday, and looks like winning in Pennsylvania on April 22, then Mr Carter will have to come out of the White House to campaign, despite all his promises to stay there until the hostages are released. His explanation for the change of strategy will be worth hearing.

On the other side of the fence, Mr Bush's victory in Connecticut is much less significant. Mr Reagan can be defeated again, in Wisconsin, without his bandwagon slowing in the slightest. He would have to lose a really important state, like Pennsylvania, by a convincing margin for anyone even to consider that he could lose the nomination.

There is no sign of such a defeat on the horizon, and it is only grasping at straws for Mr Bush or Mr Anderson to tell themselves that there was no sign of a Carter upset in New York a week ago.

S Koreans warned against double-dealing by North

From Jacqueline Rediff
Seoul, March 27

President Choi Kwuhah has warned South Koreans to strengthen security against North Korea. He said that while engaging in a North-South dialogue aimed at peaceful reunification, the North was at the same time sending spies to infiltrate the South.

The President was addressing officials yesterday in the southern town of Taegu. Earlier this week, three North Korean agents were shot after swimming over to the south side of the Han River, and two days ago the South Koreans claimed they had sunk a North Korean spy ship off their south-east coast.

The North Koreans have denied that any of their ships

was involved in such an incident.

Military authorities in Seoul said that North Korean infiltrations are timed to take advantage of the present unsettled political situation in the South.

South Korea's ruling Democratic Republican Party announced today that four of its deputies were to be expelled for "anti-party" activities. All members of the party's executive council had resigned because they felt responsible for disturbances within the party and unable to provide effective leadership.

Two of the deputies face expulsion because they accused Mr Kim Jong Pil, the party leader, of revising its constitution to allow him to take over the leadership.

Thai pirates ram Vietnamese refugee boat

Kuala Lumpur, March 27

In what United Nations refugee officials described as the worst incident in nearly a year, Thai pirates rammed a Vietnamese refugee boat within sight of the Malaysian coast and killed or abducted 57 of the people on board.

The United Nations officials said today that initial accounts of the incidents, on Monday night, put the number of dead at more than 30 and said that all those abducted were women. Sixteen of the refugees, 13 of them children, were rescued by fishermen.

The Vietnamese refugee boat left Vietnam last Sunday, and encountered the pirate boat on Monday morning. After being thwarted in an attempt to board the boat, the pirates called on another boat.

ADVERTISEMENT

The Threat from Nuclear Arms—Lord Mountbatten's warning

frightening facts about the arms race, which show us rushing headlong towards a precipice, make those responsible for this disastrous course pull themselves together and reach for the brakes?

answer is "no" and I only wish that I could be the one to give the glad tidings that there has been a change of mind. Alas, that is not the case.

deeply saddened when I reflect on how little has been achieved in spite of all the talk there has been lately about nuclear disarmament. There have been many international conferences and negotiations on the subject and we have all nursed dreams of a world at peace but to no avail. Since the end of the Second World War, we have had war after war. There is no end in sight of this in several parts of the world. We are in an age of extreme peril because every war carries the danger that it could spread and involve the powers.

here lies the greatest danger of all. A military stalemate between the nuclear powers could entail a risk of nuclear warfare. The Western powers and the USSR started by producing and stockpiling nuclear weapons as a deterrent to general war. It seemed simple enough. Because of the enormous scale of destruction that could be wreaked by a single explosion, the idea was that both sides in what will see as an East-West conflict would be deterred from taking any aggressive action which might endanger the interests of the other.

was not long, however, before smaller nuclear powers of various designs were produced and deployed. In what was assumed to be a deterrent to the "belief" that that were hostilities ever to break out in Western Europe, such weapons could be used in warfare, without triggering an all-out nuclear war leading to the final holocaust.

have never found this idea credible. I have never been able to accept the reasons for the belief that any of nuclear weapons can be categorised in terms of tactical or strategic purposes.

at month I enter my eightieth year. I am one of the survivors of the First World War who rose to high rank in the Second and I know how impossible it is to see military operations in accordance with fixed rules and agreements. In warfare the unexpected is the rule and no one can anticipate what an opponent's move will be to the unexpected.

a sailor I saw enough death and destruction at sea. I also had the opportunity of seeing the absolute action of the war zone of the western front in the World War, where those who fought in the trenches had an average expectation of life of only a few weeks.

cost of this advertisement has been paid for by one of the contributors to the World Disarmament Campaign. Help us to achieve our aim in other newspapers. Send donations to the World Disarmament Campaign, c/o 21 Rydons Old Coulsdon, Surrey, CR3 1SU. Make cheques payable to the World Disarmament Campaign.

Then in 1943 I became Supreme Allied Commander in South East Asia and saw death and destruction on an even greater scale. But that was all conventional warfare and, horrible as it was, we all felt we had a "fighting" chance of survival. In the event of a nuclear war there will be no chances, there will be no survivors—all will be obliterated.

I am not asserting this without having deeply thought about the matter. When I was Chief of the British Defence Staff I made my views known. I have heard the arguments against this view but I have never found them convincing. So I repeat in all sincerity as a military man I can see no use for any nuclear weapons which would not end in escalation, with consequences that no one can conceive.

And nuclear devastation is not science fiction—it is a matter of fact. Thirty-four years ago there was the terrifying experience of the two atomic bombs that effaced the cities of Hiroshima and Nagasaki off the map. In describing the nightmare a Japanese journalist wrote as follows:

"Suddenly a glaring whitish, pinkish light appeared in the sky accompanied by an unnatural tremor which was followed almost immediately by a wave of suffocating heat and a wind which swept away everything in its path. Within a few seconds the thousands of people in the streets in the centre of the town were scorched by a wave of searing heat. Many were killed instantly, others lay writhing on the ground screaming in agony from the intolerable pain of their burns. Everything standing upright in the way of the blast—walls, houses, factories and other buildings, was annihilated... Hiroshima had ceased to exist."

But that is not the end of the story. We remember the tens and thousands who were killed instantly or worse still those who suffered a slow painful death from the effect of the burns—we forget that many are still dying horribly from the delayed effects of radiation. To this knowledge must be added the fact that we now have missiles a thousand times as dreadful; I repeat, a thousand times as horrible.

WHAT YOU CAN DO...

Support the organisations campaigning for disarmament:

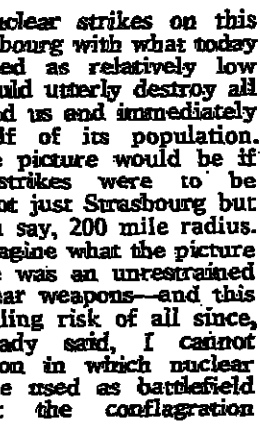
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Full information from CND, 29 Great James St., London, WC1N 3EY



One or two nuclear strikes on this great city of Strasbourg with what today would be regarded as relatively low yield weapons would utterly destroy all that we see around us and immediately kill probably half of its population. Imagine what the picture would be if larger nuclear strikes were to be levelled against not just Strasbourg but ten other cities in say, 200 mile radius. Or even worse, imagine what the picture would be if there was an unrestrained exchange of nuclear weapons—and this is the most appalling risk of all since, as I have already said, I cannot imagine a situation in which nuclear weapons would be used as battlefield weapons without the conflagration spreading.

Could we not take steps to make sure that these things never come about? A new world war can hardly fail to involve the all-out use of nuclear weapons. Such a war would not drag on for years. It could be all over in a matter of days.

And when it is all over what will the world be like? Our fine great buildings, our homes will exist no more. The thousands of years it took to develop our civilization will have been in vain. Our works of art will be lost. Radio, television, newspapers will disappear. There will be no means of transport. There will be no hospitals. No help can be expected for the few mutilated survivors in any town to be seen from a neighbouring town—there will be no neighbouring towns left, no neighbours, there will be no help, there will be no hope.

How can we stand by and do nothing to prevent the destruction of our world? Einstein, whose centenary we celebrate this year, was asked to prophesy what weapons would be used in the Third World War. I am told he replied to the following effect:

"On the assumption that a Third World War must escalate to nuclear destruction, I can tell you what the Fourth World War will be fought with—bombs and arrows."

The facts about the global nuclear arms race are

well known and as I have already said SIPRI has played its part in disseminating authoritative material on world armaments and the need for international efforts to reduce them. But how do we set about achieving practical measures of nuclear arms control and disarmament?

To begin with we are most likely to preserve the peace if there is a military balance of strength between East and West. The real need is for both sides to replace the attempts to maintain a balance through ever-increasing and even more costly nuclear armaments by a balance based on mutual restraint. Better still, by reduction of nuclear armaments I believe it should be possible to achieve greater security at a lower level of military confrontation.

I regret enormously the delays which the Americans and Russians have experienced in reaching a SALT II agreement for the limitation of even one major class of nuclear weapons with which it deals. I regret even more the fact that opposition to reaching any agreement which will bring about a restraint in the production and deployment of nuclear weapons is becoming so powerful in the United States. What can their motives be?

As a military man who has given half a century of active service I say in all sincerity that the nuclear arms race has no military purpose. Wars cannot be fought with nuclear weapons. Their existence only adds to our perils because of the illusions which they have generated.

There are powerful voices around the world who still give credence to the old Roman precept—if you desire peace, prepare for war. This is absolute nuclear nonsense and I repeat—it is a disastrous misconception to believe that by increasing the total uncertainty one increases one's own certainty.

This year we have already seen the beginnings of a miracle. Through the courageous determination of Presidents Carter and Sadat and Prime Minister Begin we have seen the first real move towards what we all hope will be a lasting peace between Egypt and Israel. Their journey has only just begun and the path they have chosen will be long and fraught with disappointments and obstacles. But these bold leaders have realized the alternative and have faced up to their duty in a way which those of us who hunger for the peace of the world applaud.

Is it possible that this initiative will lead to the start of yet another even more vital miracle and someone somewhere will take that first step along the long stony road which will lead us to an effective form of nuclear arms limitation, including the banning of Tactical Nuclear Weapons?

After all it is true that science offers us almost unlimited opportunities but it is up to us, the people, to make the moral and philosophical choices and since the threat to humanity is the work of human beings, it is up to man to save himself from himself.

The world now stands on the brink of the final Abyss. Let us all resolve to take all possible practical steps to ensure that we do not, through our own folly, go over the edge.

OVERSEAS



Armed guards stand by as one of the four surviving copies of Magna Carta arrives at Dallas airport for exhibition in Texas.

15 get death sentences in Tunis trial

Tunis, March 27.—Fifteen people were sentenced to death by the state security court here today for their part in the guerrilla attack on the Tunisian Army at Gafsa, a mining town in the west of the country, on January 27.

They included Fziedin Sherif and Ahmed Merzouki, accused of supervising the attack in which more than 40 people, including three attackers, died and 111 were wounded. Two were sentenced to death in their absence.

Ten others were sentenced to hard labour for life, five of them in their absence. Five were sentenced to 20 years' hard labour and three to five years' hard labour.

A five years' prison sentence was passed on two people, one was sentenced to two years' imprisonment, two to six months' imprisonment and one was given a six months suspended prison sentence.

Out of a total of 59 before the court accused of involvement in the attack, 20 were acquitted.

The attack on the police and Army barracks at Gafsa was carried out by a group of guerrillas who crossed into Tunisia from Algeria. The Tunisian Government claims they were trained and financed by Libya.

Libya has denied the charges, claiming it was a popular uprising against the Tunisian Government. Tunisia subsequently recalled its ambassador from Tripoli and expelled the Libyan Ambassador in Tunis.

Agence France-Presse and AP.

Japanese cancel Chile invitation

Santiago, March 27.—Japan has cancelled the official visit which was to have been made to Tokyo this week by Señor Hernán Cubillos, the Chilean Foreign Minister, who was dismissed on Tuesday.

The Japanese Ambassador in Santiago, Mr. Gōichi Akatani, said the invitation to Señor Cubillos had been personal and "non-transferable".

Señor Cubillos was ordered to resign by President Pinochet after the official visit to Manila because President Marcos of the Philippines announced at the last minute that he would not be in Manila to meet him—Agence France-Presse.

World Conservation Strategy

The need to preserve genetic diversity

Tom Samstag continues his examination of a report on the state of the environment issued by the International Union for the Conservation of Nature and Natural Resources.

An appeal to self-interest is evident in the World Conservation Strategy's discussion of the need to preserve genetic diversity.

The argument is that mankind has historically depended on very few indeed of the millions of species that exist or have existed; knowingly to cause a species, or even a variety or sub-species, to become extinct is therefore the most extreme, because irreversible, folly.

For example, "almost every coffee tree in Brazil descends from a single plant", say the anonymous authors of the strategy. "These and other crops in a similar position are extremely vulnerable to outbreaks of pests and diseases

Britain keeps low profile in the 'arc of crisis'

By David Spenser
Diplomatic Correspondent

A rather gloomy picture of what is happening post-Afghanistan emerged at Wednesday's meeting of the Select Committee on Foreign Affairs. The only part of the world where Britain is actively promoting a policy is in the Middle East, and even there one of the parties, Israel, is totally opposed to the British initiative. So the outlook is, at best, very doubtful.

In the other countries of the so-called "arc of crisis" Britain has not, it seems, got much to say.

Mr Douglas Hurd and Mr Peter Blaker, the Foreign Office junior ministers, explained how in Pakistan we were trying to provide support, that in Iran it was all too confusing to be sure of anything; that with Iraq our relations were deteriorating; that in Saudi Arabia, unfortunately, our very able ambassador is stuck in the wrong place, Jiddah, though in a few years the embassy will move to Riyadh; and that in the Gulf states it would be a mistake to try to rush things.

"It would not do the Foreign Office's reputation any good to speculate," Mr Hurd remarked when asked about the future of Iran. "I don't think it would do the Foreign Office's reputation any harm either," Mr Eldon Griffiths, Conservative

MP for Bury St Edmunds, replied darkly.

In reply to Mr Frank Hooley, Labour MP for Sheffield, Bealey, who asked about British policy towards the Palestinians, Mr Hurd finally showed some signs of enthusiasm.

We support the Camp David agreement and the autonomy talks. "We support the Camp David agreement and the autonomy talks," Mr Hurd said. "We support the Camp David agreement and the autonomy talks," Mr Hurd said.

By this, Mr Hurd explained, he meant an agreement which covered land and water and ruled out future Israeli settlements.

It would not be right to despair at this stage, Mr Hurd went on, of something coming out of the autonomy talks. But there was a need to consider what to do if nothing did come out. That was why it seemed sensible to Britain, along with our partners in the European Community, to think about how to make a helpful contribution.

Hence Lord Carrington's idea, which he has explained at the United Nations, of "plugging the gap" in Security Council Resolution 242 by recognizing Palestinian rights, at the same time as reaffirming Israel's right to secure and recognized borders.

"We have discussed the matter with the Israelis, and they," Mr Hurd added with a straight face, "have discussed it with us."

to obtain or remove vital evidence from the Katyn Forest as Nazi Germany and Soviet Russia accused each other of the massacre.

Officials were murdered, files disappeared, a key witness was found hanged, and other witnesses and experts changed their views as the tide of the war ebbed and flowed.

Shortly after the discovery of the Katyn mass graves near Smolensk, by the invading German Army in 1943, Sir Winston Churchill expressed his concern over the evidence implicating Moscow. He made it clear, however, that for the British Government victory over Nazi Germany took precedence over Katyn.

In his memoirs, Sir Winston recalled that during his talks with the Soviet Ambassador (Malsky) in 1943, "I did not attempt to discuss facts (about Katyn). We have got to beat Hitler. This is the time for quarrels and charges."

Altogether something like 25,000 plant species and more than 1,000 vertebrate species and sub-species are endangered.

Tropical rain forests, forcing grounds for growth and specialization, are particularly important to the numbers of species they nurture. A hectare (about two and a half acres) of tropical rain forest typically contains more than 100 species of large tree, as opposed to a maximum of 25 in even the richest temperate forest.

Medicine owes an incalculable debt to nature. One estimate is that more than 40 per cent of prescriptions issued in the United States each year

contain a drug of natural origin, deriving from plants, animals or microbes.

The argument for genetic diversity puts a new light on the more traditional cuddly animal approach to conservation, too. Studies of polar bear hair structures have helped with research into cold-weather clothing design and solar energy collectors.

Armadillos, the only animal other than man known to contract leprosy, may be instrumental in developing a cure.

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El Salvador gun battle ends with 11 killed

San Salvador, March 27.—Eleven people died in a gun battle yesterday in Ciudad Barrios, the native city of the murdered Archbishop of San Salvador, Mgr Oscar Romero.

The authorities said the soldiers carrying out a house-to-house search for arms were fired upon from inside one house they approached.

The soldiers returned the gunfire. In the firing, nine people inside the house and two soldiers were killed. The authorities gave no further details.

A United States Embassy source said that all dependants of American diplomats in San Salvador were evacuated on Tuesday, one day after the murder of Mgr Romero because of fear that the assassination may provoke a wave of violence.

Colonel Adolfo Majano, a member of the Salvadoran junta, rejected a recent United States statement that Cuba was directly aiding Salvadoran leftists guerrillas with arms and men. He said there was "no evidence whatsoever" for it, though some Salvadoran leftists had received guerrilla training in Cuba.

The Revolutionary Coordinator of the Masses, an organization that groups most of El Salvador's leftists and their guerrilla allies, told a press conference last night that El Salvador had moved one step closer to revolution. The group declared itself to be on a war footing.

It said the death of Mgr Romero, El Salvador's leading advocate of human rights, would not be in vain. His struggle against repression and injustice would be translated on to the battlefield.

The leftists would remain on a war footing until they overthrew the civilian-military junta which has ruled the republic for the past six months.

Señor José Morales Erlich, a member of the junta which is combating both left and right wing opposition to its recently introduced social reforms, countered by saying that the left had realized it did not have the support of the people.

The Government has placed the country on a state of emergency and armed troops patrolled San Salvador and armoured cars were parked at key places after a spate of bomb explosions and clashes between security forces and leftists after Mgr Romero's death.—UPI and Reuters.

Complaint by Petrosian to world chess body

Velden, Austria, March 27.—Tigran Petrosian, the Soviet grandmaster who lost a world chess championship quarter-final to Viktor Korchnoi two days ago, is to complain to the World Chess Federation (FIDE).

Mr Harry Golombek, Chess Correspondent of The Times and chief referee of the match, said the player held him partly responsible for the defeat.

Petrosian had alleged that Mr Golombek searched for a rest during the fifth game. "This annoyed me so much that I lost the game," Mr Golombek denied the charge.—Reuters.

Correction: In our report yesterday of the ninth game of the 30th move should have read: P-N3, P-KR3.

Katyn spectre still haunts Poles

By Gabriel Ronay

The self-immolation of a young Pole in the main square of Cracow over the weekend was an act of desperation intended to draw world attention to the Soviet massacre of Poland's elite during the Second World War.

His placard, accusing the Soviet Union of the Katyn Forest murders, reflected the view generally held by Poles of what they call "the crime of the century"—the mass murder of 14,000 Polish officers captured by the Red Army after the Nazi-Soviet partition of Poland.

Owing to Poland's membership in the Soviet bloc, the post-war Communist governments have naturally shied away from an impartial investigation and so Katyn has become a festering sore.

In the 1940s, the intelligence services of a dozen countries carried out ruthless operations

to obtain or remove vital evidence from the Katyn Forest as Nazi Germany and Soviet Russia accused each other of the massacre.

Officials were murdered, files disappeared, a key witness was found hanged, and other witnesses and experts changed their views as the tide of the war ebbed and flowed.

Shortly after the discovery of the Katyn mass graves near Smolensk, by the invading German Army in 1943, Sir Winston Churchill expressed his concern over the evidence implicating Moscow. He made it clear, however, that for the British Government victory over Nazi Germany took precedence over Katyn.

In his memoirs, Sir Winston recalled that during his talks with the Soviet Ambassador (Malsky) in 1943, "I did not attempt to discuss facts (about Katyn). We have got to beat Hitler. This is the time for quarrels and charges."

Altogether something like 25,000 plant species and more than 1,000 vertebrate species and sub-species are endangered.

Tropical rain forests, forcing grounds for growth and specialization, are particularly important to the numbers of species they nurture. A hectare (about two and a half acres) of tropical rain forest typically contains more than 100 species of large tree, as opposed to a maximum of 25 in even the richest temperate forest.

Medicine owes an incalculable debt to nature. One estimate is that more than 40 per cent of prescriptions issued in the United States each year

contain a drug of natural origin, deriving from plants, animals or microbes.

The argument for genetic diversity puts a new light on the more traditional cuddly animal approach to conservation, too. Studies of polar bear hair structures have helped with research into cold-weather clothing design and solar energy collectors.

Armadillos, the only animal other than man known to contract leprosy, may be instrumental in developing a cure.

Altogether something like 25,000 plant species and more than 1,000 vertebrate species and sub-species are endangered.

FOREIGN REPORT

Inclusion of illegal immigrants disputed American census Bureau at centre of several storms

When United States marshals and their helpers set out by foot, boat and horseback in 1790 to count people living in the then 16 states of the Union and the South-Western Territory they unaccountably missed Mr Thomas Jefferson, the Secretary of State and organizer of the country's first census. The oversight meant that he had to add his own name to a list posted in Philadelphia to catch all those in the city whom the census takers had failed to trace.

After a full 18 months of counting, this makeshift operation duly recorded that the total population consisted of just under four million "free white males, over and under 16, free white females, other free persons and slaves". This was the only information that the country's first census sought to clarify.

Nineteen decades later after what is being described as the biggest mobilization of manpower and other resources in America's peacetime history, the organizers of the 1980 census have no great worries about reaching respectable members of society like Mr Jefferson's successors. When the forms go out later this month, the organizers' attention will be focussed on "capturing" in census jargon, those sectors of the community, like minority groups in urban centres, which are least likely to want to stand up and be counted.

The requirement to hold a census every 10 years is laid down in the United States constitution. As article 1, Section 2, of that revered document explains, its main goal is to provide a basis for calculating direct taxes and the number of seats to which each state is entitled in the House of Representatives. Originally "unexcused Indians" were excluded from the count and each slave was counted as three-fifths of a white inhabitant for the purpose of apportioning congressional seats.

With the abolition of slavery in the late 1860s, however, the formula was changed to give blacks the same numerical status as whites in the census count. Discrimination in the census against "unexcused Indians" came to an end just before the Second World War.

The number of seats each state has in the present House of Representatives was, of course, determined by the last census in 1970. But the United States is now a country in which one in every five families moves home each year and such mobility of population is bound to be reflected in the composition of the 1982 Congress—the first to be based on the new figures provided by this year's count.

As part of its regular workload, the Census Bureau keeps a close watch on population shifts and its latest estimates

are correct as many as 14 of the current 435 seats will change hands in the next House of Representatives. States in the booming south and west like Florida, California and Texas would gain representatives at the expense of those in the urban north such as New York, Pennsylvania and Illinois.

In the past, this part of the census operation has proved to be fairly uncontroversial although obviously no state has liked to see a reduction in its voting strength in Congress. This time round, however, the Census Bureau has found itself at the centre of several political storms.

The problem that has caused the most headaches at the Census Bureau headquarters in a disused hospital on the outskirts of Washington is the question of whether illegal immigrants should or should not be included in the count.

Ironically enough, a dispute which has developed into a legal confrontation between the bureau and an organization working to put a stop to illegal immigration might never have come about if the organizers of the 1980 census had not made a special effort to account for members of minority groups missed in the last tally.

After a post-mortem on the 1970 census, the bureau discovered that it had probably failed to count some 5,300,000 people, representing 2.5 per cent of the total population. More significantly, though, the margin of error was much greater among blacks: 7.7 per cent of whom were overlooked, than among whites, where a mere 1.9 per cent went uncounted.

With political power as well as the distribution of thousands of millions of dollars worth of federal funds directly linked to the information provided by the census, the outcry among minority groups was loud and immediate. Each minority group felt it was not getting its fair share of any particular pie," says Mr Dan Levine, the bureau's deputy director.

And of course they turned on the one organization which they thought should provide the best data—us."

In its campaign to reach even the smallest minority group, this time publicity is being distributed in such unlikely tongues as Tagalog, a Philippine dialect, and Thai, for example—the bureau has made no attempt to determine the legal status of anyone. This is in line with past practice.

But the decision to include illegal immigrants in the count has run into strong opposition from the Federation for American Immigration Reform (Fair), whose emotive acronym takes no account of the sensibilities of illegal aliens or indeed any minority group. The organiza-

tion's responsibility is to try to get the census from going ahead with illegal immigrants excluded count.

Fair's view is that to include who are in the country illegally the "one-man, one-vote" principle diluting the population base congressional seats and federal apportionment. It has cited, for example, that the inclusion of immigrants in the total population affect the distribution of up to 10 congressional seats. The exact number of illegal immigrants is unknown; estimates range from three million.

The Census Bureau, on the other hand, argues that the inclusion of illegals in the count is totally in accord with the provision of the constitution talks in general terms about "and the" whole number of meaning the total population.

Moreover, any attempt to between residents who are in the country illegally and those who are not is a sure way to destroy public in what is intended to be a statistical exercise. Not on aliens probably lie about their they were asked, but they responded at all if such a question included in the questionnaire, quite reasonably points out.

So far the courts, including the Court, have sided with the Census and the count is to go ahead as planned. But the legal wrangle is likely to continue into the 1980s as preparation for the 1990 census.

Other problems confronting the Bureau have been less time consuming and more troublesome. They have a flood in the bureau's headquarters put three of the main computer group failed to get their share of the "main computer" and addressing the 30 million names needed for the count, as publicized dispute over the fee of the man in charge of taking.

Mr Levine is not at all perturbed by the controversy which has surrounded the bureau's census. "Before the problems in the past, he says, have been resolved quickly, a glare of publicity."

"The minute you attach dollar to statistics you have raised it to a level where very often the the tidings is that the 'blame' is placed on the bureau. Before lived in a sort of an ivory tower, that in a quiet Washington but those days are now past."

Embassy siege

Colombia at the political crossroads

Colombian consciousness that the leading left-wing weekly *Alternativa* has accused M-19 of taking a backseat in the current struggle for Colombia into a new "Violencia", this time of contemporary Argentine-style proportions.

That is the worst possible scenario. A more likely parallel is with Uruguay. Indeed, even before the embassy siege, many Colombians felt their nation had already reached a Uruguayan situation—with a pin-striped politician sitting in the presidential palace as a front for policy-makers of a more kooky stripe.

Although differences from the Iranian hostage situation are obvious, it would be wrong to say that M-19 did not enjoy, at least before it took the embassy, a considerable groundswell of support among the urban poor and middle class. Its basic aims—social justice and genuine democracy—are shared by most Colombians who believe that democracy was effectively killed by Liberal-Conservative balloting in the first post-"Violencia" presidential election in 1970. Its successful aim of the two main parties was to deny victory going to the populist Perón-style alliance led by Gustavo Rojas Pinilla the former dictator.

Nor has M-19 ever been a guerrilla movement in the classic Che Guevara mould. Urban warfare in Colombia is virtually non-existent and M-19 has always specialized in well-organized, daring and invari-

ably good-humoured stunts geared to "poke fun" at the Government and military. Apart from the murder of a corrupt labour leader three years ago (an act which damaged its "Robin Hood" image), its actions have generally appealed to Colombians' taste for the spectacular and absurd.

Although supposedly leftist, M-19 and its adventures are not a source of amusement to the Colombian Left. Enrique Santos Caldera, a much-respected communist in the Bogotá daily *El Tiempo* and an influential member of the democratic socialist alliance *Firmes*, remarks: "M-19 has demonstrated a great mastery of organizing mathematically-planned stunts but a notable lack of perception in assimilating the repercussions."

He was referring to the last M-19 escapade—a military action that inspired the tradition of political asylum. Last year a flood of opponents of the regime were granted refuge in foreign embassies. Will the current diplomatic hostages be as disposed to help such people as they are to help themselves?

The seizure of this embassy is indicative of Colombia's deepening political crisis, the most alarming feature of which is the people's total disillusion

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Changing lifestyles

Demise of the dining room

place the foil tray in the oven. It is difficult to say whether the demise of the dining room preceded the social trend to eat less formally, or whether it came in the wake of the trend. Whatever the order of events, the trend is very marked.

Dining rooms have disappeared in many builders' designs, and kitchens are shrinking.

The pantry and meat safe have been superseded by the wall cupboard and the freezer that most modern of domestic appliances, has had to change its shape to accommodate itself to the tiny modern kitchen.

Ten years ago most freezers were long chests with ample space for a dismembered pig. Today a growing proportion of freezers are of the upright variety. In many modern houses and flats there is simply not room for the chest shape.

In many households the main use of the freezer is not to preserve sides of meat and buckwheat home-grown vegetables, but to reduce the number of shopping trips that the family needs to make.

The family which used to put a packet of 10 fish fingers in its refrigerator now puts 60 in

its freezer. There is evidence that people are time shopping than the weekly expedition to a lean market has replaced the periodic foray to the shop with a single basket.

The reduced rig family life, the growing tendency of people to take paid work has down the formality of the formal dinner party. The modern housewife buys instant soup, instant custard, and coffee. If he can boil a strip of bacon, he can produce a quick, simple, and satisfying meal. It is seldom a surprise that the oven for eating out, and meals outside the home, are constantly growing, which once offered less than a sullen pie and sausage roll now sells for hot meals, often sent from the factory in tins, with such variety at hand, who needs a

Hugh C

The EEC ro bad news fo a centre par

What will be the political effects in this country if Britain's budgetary dispute with the European Community is not settled satisfactorily? Among Conservatives there has certainly been both a hardening of opinion in some quarters against the Community and a more general weakening of conviction in the European cause. But there is no sign of this mood going so far as to embarrass the Government. Still, it is a possibility that the Government would want redress of rights by the EEC. He, a number of changes in amendment of Communities. A agreement that of the European be no more than agreement of the directives and p- tions from the E mission—so that lapse unless renewed by the agreement of the Ministers on which Government were represented. P changes might be t areas, but hard to believe that the rights deliberated Parliament in this points towards of an impossible

Will the



for the long-term interests of the industry. As soon as the strike is over, BSC has to reopen serious negotiations with the unions on plant closure. Backed by the TUC, the unions are seeking a complete reshaping of management's blueprint for an industry only two thirds of its present size through a joint approach to the Government for a capital restructuring of the corporation.

However, if the terms of reference are rightly drawn, the issues raised in the joint docu-

It will be a pity if this golden opportunity for the corporation and the unions to lift their eyes from trench warfare to the prospects of a successful peace is lost. But it will be grasped only if the inquiry adopts an expansive view of its responsibility in the affair.

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Secondly, Mr. "there are man will need to be Need in what is simply an empty country or a future government would be satisfied that certain have been met before stay in the Commonwealth under the conditions Labour may be it is possible process could be that might cost Britain out of even without a withdrawal. In Once they were in office, Lab would no doubt under strong pressure take so drastic deal might then whether or not the government had new negotiations by a formal deal, whom?

Despite all this the 1975 referendum, the present circumstances the general membership life is in question referendum was instrument for in, despite Labour doubtful if it was for that purpose

Running rings around the auction rules



1964 an expose of two particular rings in *The Sunday Times* led to an explosion. The second, which had operated at the Northwick Park sale of the effects of Captain E. G. Spencer-Churchill, had cluded four council members and ordinary members of the British Antique Dealers' Association—the trade organization which is supposed to oversee members' ethics. The association was rapidly reformed and all members must now sign a declaration that they will not take part in "knockout" agreements.

That the wording of the former law was significantly different to that used in the Act is underlined by the fact that Julian Agnew—of the firm involved in the Algard deal—is this year's president of the British Antique Dealers' Association. The dealers accept that a "ring" involving a knockout is a significantly different affair to the ship. It is now for the police and the DPP to decide whether the law agrees with them.

It is perhaps worth underlining how a ring works. The essence is that a group of knowledgeable dealers get together before a sale and agree not to bid against one

made over which lots are concerned and who is going in bid for them.

After the sale the dealers retire to some private place and hold a second auction between themselves; this is the "knockout". The difference between the auction and knockout prices is tossed up and divided among the number of dealers participating; each receives his share.

The extent to which the client selling at auction is successfully cheated depends fundamentally on the auctioneer. If he has miscatalogued a rarity and those who have

against one another the loss can be vast. This was apparently what happened in the great Duccio scandal of 1968 which led to the amendment of the Auction (Bidding Agreements) Act. A picture ring had paid £27,000 for a Duccio painting in a country sale which Julius Weizner subsequently sold to the National Gallery for £150,000.

It was when an attempt was made to bring a prosecution in that case that the shortcomings of the 1927 Act were discovered; no case was brought but the Act was amended in the 1950s since then there will be no prosecution

The actual wording of the Act is: "If any dealer agrees to give, or gives, or offers any gift or consideration to any other person as an inducement or reward for abstaining, or for having abstained, from bidding at a sale by auction either generally, or for any particular lot, or if any person agrees to accept, or accepts, or attempts to obtain from any dealer any such gift or consideration as aforesaid, he shall be guilty of an offence under this Act..."

The Act goes on to say that if a bona fide agreement exists between dealers and a copy of the agreement has been deposited with the auctioneer before the goods are sold that there been no offense.

In practice dealers constantly bid in partnership but rarely deposit a copy of their agreement with the auctioneer—feeling that such prior knowledge would make him jack up the price.

There are bidding partnerships which tend to act in the interests of the seller and others which are against it; and many are unclerical which say things will go until the sale makes place. For instance, suppose four knowledgeable

On the day however, it is a matter of luck whether there is another strong bidder to run them up to their maximum price, or there is no-one else around who has really understood the object and they get it for less than each would have been prepared to go to.

With prices for art and antiques as high as they are now, there is an immense amount of such partnership bidding. Some dealers, I am assured, have nothing in their shops which is not owned in partnership with someone else. But where such partnerships end and kings begin is a very moot point. It is difficult to know where you start breaking the law. And even more difficult to know where this line

subside or dwindle.

In the specialist field of the art market the dealers tend to know each other and to be on friendly terms. On occasion, especially if commissioned to do so by a client, they will bid against each other. But in general, as one would expect among friends, they tend not to; whether arrangements are loosely or tightly organized varies from field to field.

In some areas the market is so international or there are so many private collectors involved in auctions that such arrangements are unworkable. But this is the exception rather than the rule.

Salerno Correspondent

The key question, though, is whether this dispute induces Labour to become committed to a policy of withdrawal from the EEC. This may depend on the progress of the general left-right battle within the party. It is certainly not true that only left-wingers are opposed to British membership. But most of the leading figures on the right are opposed to the withdrawal and anti-European sentiment within the party was used by the left as an instrument against them last time. Labour was in opposition. If the left become dominant they will no doubt do the same thing again.

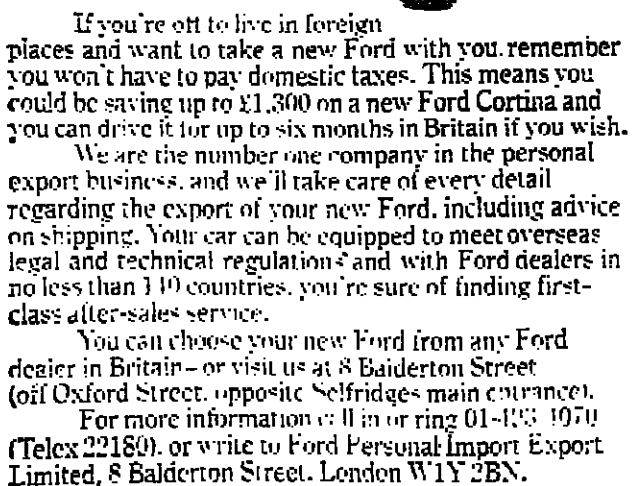
Even if the left do not become disenchanted, they will still be pressure to move in that direction. As a response to rising unemployment, Labour may well come out in favour of import controls. Only if these were clearly for selected products and if the Government could be seen to be compatible with Britain's Community obligations. Quite apart from that, there will be the strong inclination as the party that is most sceptical about the EEC not to be outflanked by Mrs Thatcher's appeals to the right sentiment in the country. But unless the left really are in control of the party—or in Britain's relations with the EEC have deteriorated to the point where there is a general public demand that the United Kingdom should come out of it—there will be considerable reluctance to fight the next election on a straight commitment to withdraw. That would be a manifesto on which it would be hard to unite the party, so the chances of election on the basis of a straight commitment are correspondingly reduced. If there is no such commitment, the question then becomes whether the anti-EEC noises that are bound to be in the manifesto are of such a nature as to tie the hands of a future Government.

The manifesto on which the party fought last year's election was not of that kind. The tone was critical, but the document

Secondly, Mr S there are many who will need to be in what is simply an empty room stating the party's position. Or did it imply a country or a future government would be notified that certain people met before they stay in the Commonwealth conditions included what cannot be it is possible a process could be that might cost Britain out of the withdrawal at a time when they were in office. Lab would no doubt find under strong pressure so drastic a decision might then be a sufficient expectation had the new negotiations by a formal decision? Whom?

Despite all this has the 1975 referendum precedent that since the ignored membership of the is in question? referendum was instrument for in, despite Labour doubtful if it is for that purpose

All Ford and no tax



FORD PERSONAL EXPORT

Shabby but still
a window
on the West

Perhaps the chequered history of Latvia is most succinctly summed up in the different names given this century to the main street in Riga, the capital. In the days when the city was called Alexander Street : during the short-lived independent republic it was called Freedom Street ; in 1941 it became Adolf Hitler Street, and after the war it was called Lenin Street.

Latvia has always been at the mercy of its powerful neighbours. It was the Germans who came first—the Knights of the Sword, as the Teutonic knights were known, who conquered the Baltic shores of the Gulf of Finland from the pagans in the thirteenth century. Bishop Albert began a mighty cathedral in Riga in 1211—which took 300 years to complete—and the city became a member of the Hanseatic League.

But then Riga fell under Polish domination, followed by Swedish rule, and then by the seventeenth century. It was wrested from them by Peter the Great and incorporated in the Russian Empire until 1919. And now the Russians are back and the city is theirs again.

Each wave left its mark on the city's architecture, and what survives of the old centre is a patchwork of styles and fashions. The German-dominated culture and commerce. In 1899 they constituted almost half the population compared with 23 per cent Latvians.

At the end of the last century, during the boom days, it was important to be German. It was important to be German and fashionable German. Solid imposing blocks were

erection to house the stock exchange. The first travel agency—Thomas Cook and Sons—the labour exchange and the opera (where Wagner spent a year as principal conductor). The young intelligentsia to bourgeois professions now serve more Soviet functions and look rather forlorn and shabby. Unlike Tallin, the Estonian capital to which the first arrivals of the whole town went to find a place to live, Riga is waiting for its facelift. A master plan exists to turn the cobbled alleys and little courtyards into a series of parade boulevards and cafes, but so far little has been done.

It has been enough of a job to repair the ravages of the Nazi occupation, which left a million Latvians dead and another half a million displaced. It has also thrived on Jewish community. After the war the factories were rebuilt and the planners established new industry. This is now seen as a mistake—especially by the fiercely nationalist Latvians, who resented the influx from all corners of the Soviet Union to fill the new jobs. Russians, Ukrainians and Byelorussians flooded into Riga because of the higher standard of living and brought Russification. The population reached 300,000, out of a total of only two and a half million in all Latvia, further immigration was stopped.

Riga, like Moscow and Leningrad, is now a restricted city requiring a residence permit. Workers are being sent to the factories in the capital and the planners are trying to shift factories to other parts of the republic.

The great influx has left Riga looking more like an ordinary Soviet city than most other Soviet cities. The population is more Russian is spoken more fluently than in any other non-Russian part of the Soviet

Union. And every year thousands of tourists from other parts of the country head for the golden beaches of the Latvian coast.

A high proportion of foreign tourists consist of families returning to their families—about 200 groups last summer. But the numbers have been limited by a lack of hotel space. Ten years ago Intourist had to send tourists abroad to solve the problem. But the stark skyscraper, plumped in the middle of the medieval city, was soon beset in beaucroatic bickering and its construction was targeted for completion became a local joke.

Brochures were printed telling tourists of the wonderful view from the restaurant on the 27th floor, but until a month ago no tourist could set foot in the unfinished building to have a look for himself.

Latvians have no love for the big blue box structure that maddeningly contradicted the steeples of elegant 13th century cathedrals of late Gothic architecture. St. Peter's Church, Stril, as one guide remarked, at least the building timetable was in the tradition of Bishop Albert's ancient cathedral.

That cathedral used to be used by the Lutheran Church and the Soviet state took it over as a monument in the 1950s. It contains one of the world's most renowned organs, a magnificent 6,768-pipe structure built by German craftsmen in 1884 and one of the largest in the world.

The Nazis had it dismantled to take to Germany, but recreated before they could do so. It was rebuilt and then restored in 1961. The cathedral allows can hold more than 1,000

LATVIAN DIARY

"Jolly decent of Howe to cover up the Royal rises with this Budget business."



The Lutherans still have 18 working churches in Riga. Services are in Latvian and the church is strongly identified with Latvian culture. The Lutherans have a seminary in Riga training 40 clergy, five of whom are women. Bishop Matulis ordained the first two women priests several years ago without, he maintained, any controversy within the church. They are both now working in country districts where, because of the shortage of clergy, each

In religion Latvia is the point where East, West and South meet. The Russian Orthodox Church, 80 per cent of whose attenders are Russians, and the Roman Catholic Church, which ministers especially to the Polish minority, are approximately equal in strength with 14 Orthodox and 16 Catholic churches in Riga open for services. All those I visited on a Sunday morning were full.

The Roman Catholics also have a seminary in Riga with 30 students, not enough, according to Monsignor Wilhelm Nuk, the Vicar-General, of the main Catholic Church, but a compromise figure accepted by both the church and the atheist Soviet government.

The Russian Orthodox Church alone has a convent beside the main cathedral. The 50 nuns range in age from 24 to 30 and Latvia is still grateful to them for saving the lives of 100 children during the war by buying them from Nazi soldiers when the babies had almost died to provide blood for the German army.

The war wrought greatest destruction on the Jewish community. All but one of the synagogues were destroyed. That one, now rebuilt, serves a Jewish community of 28,000 (18 years ago there were 37,000, but emigration has reduced the figure). Last week the cellar of the synagogue was the scene of a party turning out the last batch of matzo—unleavened bread—before Passover. Some 25 people were involved in the ritual baking under the watchful eye of Rabbi Samuel Gorevits.

Flour for the matzo is bought from the state, and parcels of

the last, except for the Tallinn, where a small Jewish bakery, from January until the synagogue bakes of matzo, which is sold for 10 rubles (70p). Many Jews in Riga practically died of hunger, a large part of the young Jews new from China and Russia, religious and secular, perished in the fire-barricade.

For Russians in a window on the left, a window has been only part of the fire, where such typical Jewish children, living standards in the streets more modern.

Lithuanians are not an exotic language; their people individual tradition that the overtones of Messianism, the Jews, to the extent it is pleasant, suffered, as brought in the part in the.

But, even the young man Soviet, colleague, tested the heavy, colour of found in, looked at the new, now attendants, experience, went to bring you up and equipment in the room, but we anyone to work the

Micha

Does the local government structure work? John Chartres examines its problems and politics. On this and the facing page

Ronald Kershaw, Northern Industrial Correspondent, discusses the future of new and traditional industries

New divisions cause dissent

The local government re-organization measures of 1974 have never been universally popular. In the North-east and in what at the same time became the new government-defined standard Northern Region, they have probably caused more anomalies and dissonance than anywhere else in England.

Central to the reorganization was the creation of the metropolitan county of Tyne and Wear with a population of nearly 1,200,000, a territory of 208 square miles, and a concentration of all the assets and problems that go with industry, high unemployment and a backlog of bad housing.

In spite of the many problems it inherited together with the undoubted strength of resources, Tyne and Wear County Council has proved itself to be a vigorous, often trend-setting, authority which was perhaps the first in England to take a positive stand on the question of Scottish devolution.

The concentration of population and highly-rated property in the new authority had the effect, however, of weakening both Northumberland and Durham which became designated as shire counties and were left with a high proportion of sparsely-populated agricultural territory to administer.

Another feature of the re-

organization which brought about anomalies was the creation of the county of Cumbria from most of the old Cumberland and Westmorland together with parts of the old North Lancashire.

The problems arising from this creation were compounded by the placing of the whole of Cumbria in the Northern Region.

Cumbria's political leaders, particularly the Conservative group now in control, have never been entirely happy about this arrangement. To begin with, the county lacked a natural focal centre in which to establish its headquarters, with Carlisle in the north and Kendal in the south roughly equal contenders for such status.

Administration has been further complicated by the widely varying regional boundaries adopted by different government departments and nationalized industries. Cumbria's gas supplies, for example, are administered from Newcastle upon Tyne, electricity from Manchester, and water from a headquarters near Warrington in Cheshire.

The most influential regional government office, that of the Department of the Environment, and the office of the widely representative link body, the Northern Economic Planning Council, are in Newcastle. The Department of Industry office in Manchester retains influence as far north as Barrow-in-Furness, however, and the Ministry

Grimsby line up to the Scottish border.

Nevertheless Cumbria did, on its own account, take an important step to break away from the Northern Region by withdrawing from the North of England Development Council, the job and new industry-seeking body which is jointly financed by the Government and the constituent local authorities—those apart from Cumbria being Northumberland, Tyne and Wear, Durham, and Cleveland.

Cumbria decided to entrust this sort of work to the more modestly financed North-west Industrial Development Association, based in Manchester, which it already held dual membership. It had been casting Cumbria more than £27,000 a year to belong to NEDC, and £5,100 a year to belong to Norwida.

Cumbria's withdrawal from NEDC, a body which was already under fire because of its involvement in political issues, especially that of devolution, caused some temporary embarrassment and in part led to the formation in 1978 of yet another body, Necca, originally standing for North-east County Councils Association, now renamed North of England County Councils Association because Cumbria has come back into this fold.

The association, chaired and administered by leaders and officials of each county council in turn, can probably be regarded as the best organized of the many organizations claiming to speak for the North. It has the special asset of being politically neutral because of the varied control of its constituent parts.

Nevertheless during a recent debate in Tyne and Wear County Council both the Conservative minority and the Labour majority agreed that there was a lack of coordination and duplication of effort among government departments, authorities and other bodies.

The Conservatives' idea of a solution was to call again for the appointment of a special minister for the region, but a Labour amendment, which was carried, said the establishment of a development agency on the lines of those operating in Scotland and Wales.

In a further move a working party of the northern area Conservative council recently called for the creation of a new-style Northern development council and for the scrapping of the existing North of England Development Council which is described as wasteful and inefficient.

Mr Timothy Kirkhope, chairman of the working party said there were now about 16 groups in the area all trying to carry out the same functions. The disbandment of the government-supported Regional Economic Development Council has displeased the Labour politicians because their previous solution to the problem of finding coordinated leadership was to enlarge this body and strengthen its powers.

The North-east has never really lacked bodies willing and anxious to act as voices for the region. The problem in the past has been which should have the seal of general approval. Although it has missed in some quarters, as yet another talking shop, Necca, at present administered by Durham County Council and soon to pass into the hands of Tyne and Wear, looks like being the strongest contender and more will probably be heard of it this year.

J.C.

Miners respond to cash injection

Britain's coal industry is booming. For the first time in more years than people care to remember, the National Coal Board is able to point to increased productivity, increased output, higher sales and lower absenteeism. In financial terms the industry is on target and Sir Derek Ezra, the chairman of NCB, is able to say that plans embarked upon in 1974 are at last beginning to pay off.

In the coal board's North-eastern area the story is the same. The men of Durham and Northumberland are digging more coal so that productivity has risen to two tonnes a man-shift in the area's 28 pits. Recruitment is up and absenteeism down. Sceptics will undoubtedly point to the fact that it is all very well talking about increased activity, performance and production when at the end of the day there are no profits.

The answer must be that one cannot take a constituent part of a nationalized, nationwide industry in isolation. Overall the coal industry, given a favourable wind, will make a profit this year and to do so it needs to sell coal—probably in excess of 120 million tonnes—to meet rising demand. If some of that coal in some areas is mined at a loss it is of no importance provided the overall figure is in the black. As an area the North-east will no doubt finish in the red, but mining is also keeping about 33,000 men gainfully employed when there are 128,000 others out of work.

In the past four years or so, the NCB has pumped £140m into pits in the North-east which have a prospect of long-term productivity, and the miners are responding by winning coal in as an efficient and economic way as possible.

This is the mining industry's biggest area in terms of geography and output. It is the biggest industry in the region with an annual turnover of £450m (including all facets of coal-



Unemployed carry home coal gleaned from the beach at Eastington Colliery, Durham.

mining) and a wages bill of £216m. Collieries in the North-east produce about 13 million tonnes of coal a year from deep mines and another three million tonnes from opencast working. More than half the output goes to power stations.

From opencast operations, about £20m a year is injected into the North-east's hard-pressed economy. It provides direct employment for 1,600 people and indirect employment for hundreds more who supply goods and services, to the tune of £11m. There are 11 sites in the two counties paying £300,000 in rates to local authorities.

Environmental benefits invariably follow opencast restoration works and dereliction is swept away. Old colliery sites and other eyesores at Burnhope, Medoms-

ley and Radcliffe are examples. As Sir Derek Ezra points out from time to time: "The profit from opencast mining contributes significantly to deep-mining developments, so essential to plans for expansion and modernization in the British coal industry to help the nation to meet its energy requirements. It helps to safeguard mining jobs and keeps down increases in coal prices."

He adds with some emphasis: "Indeed, the viability of opencast mining, coupled with the high quality of the coal it produces, is absolutely vital to the continuation of many of our deep mines. Only by adding opencast coals to deep-mined output can many pits sell the product that power stations and steel plants require—and at the right price." Up to half the North-east region's output is used in this way.

The closure of collieries, particularly in west Durham, because of seam jobs of 1,000 Durham miners by providing a long-

term market for more than 500,000 tonnes of coal a year. Part of the coal mined will probably be exported.

Further coal industry enterprise is to be found. A coastal pit with revolutionary techniques using micro-processors give improved control of the mine. This is a first in Britain and maintains the reputation of pioneering advanced technology.

Domestic demand for coal remains strong through Britain, but particularly in the North-east, where there has been a 30 per cent increase in sales of coal-burning appliances, the commercial market, turning to coal as prices on oil prices continue to rise. Appropriately, investment in the coal industry is being forward according to the incentive scheme paying off. There appears to be strengthening of morale in the industry. As Sir Derek Ezra says: "The industry is looking as if things are going right."

R.

Cleveland factpack

Putting them to sleep. A detailed map of Cleveland County showing the available industrial land and major roads.

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Summary of essential financial incentives: Labour, industrial rates, advance factories, office space, commercial units, utilities, and more.

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County of Cleveland

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Heavy engineering struggles for orders

In common with shipbuilding and coal mining, heavy engineering in the North-east has declined in recent years. Time was when names such as Armstrong, Whitworth, Vickers, and Head Wrightson conjured up visions of multitudes of workers turning out millions of pounds worth of internationally famous products, and every worker wearing his company's name like a badge of honour.

Without detracting from the quality of products made by the companies which contain or from the skills of their employees, it must be felt by many old hands that much of the romance of Tyneside engineering has left along with the famous names.

Mr Peter Walton, principal regional secretary of the Engineering Industries Association in the North-east, who did his early training at Parent, said: "I was proud just to work there and now it is sad to see the big companies struggling. They have their good orders, but not in the same quantity we had when it was a sellers' market. We had wonderful shipyards on Tyneside, but now they are paying off and laying off. But we have seen it coming for 20 years."

On a brighter note, Mr Walton said: "You will always need large machine tools and large forgings for heavy plant for the chemical industry and oil refineries and so on. You will always need large lumps of engineering, but it is a mystery to me why the heavy engineering sector is getting such a bashing."

Northern Engineering Industries, which employs between 14,000 and 15,000 workers, was formed in a merger of the two Newcastle companies, Clarke Chapman and Reynolds Parsons, in 1977. Both are revered names in mechanical and electrical engineering.

The group has 10 trading companies—five of them in the North-east—and operates in three geographical areas—the North, the Midlands, and a band between London and Southampton.

NEI has an annual turnover of about £450m, and last year about 25 per cent of this was accounted for by exports. The future of heavy engineering in the North-east will depend on the industry's competitiveness against overseas companies and its ability to win export orders.

NEI's products are diversified, but most foreign attention seems to be attracted by power generation. NEI Parsons of Heaton has secured orders from India and the Irish Republic for turbine generators worth £20m. The Calcutta Electric Supply Corporation wanted four 60MW turbine generators, together with feed-heating and condenser, the first of which will go into operation at Titagarh power station in 1981. The Irish order is for two 44.5MW machines for Shannonbridge and Lanesborough power stations. Both orders were

against stiff international competition.

NEI Clarke Chapman Power Engineering, which makes boilers, has taken most of the design contracts for both boiler and turbine work for the second generation of advanced gas-cooled reactor power stations at Heysham and Torness in Scotland. The bulk of the boiler orders are secured, GEC has the turbine orders for Torness, Babcock International has the smaller share of boiler work for both stations, and NEI has the rest.

NEI is by all accounts doing reasonably well, except perhaps in Clarke Chapman Marine where the shipbuilding slump has not helped.

Bright spots in engineering in the North-east are not as frequent as the NEI experience might suggest, and strenuous efforts are being made by various agencies to attract work. In the past year the Vickers Scotland Road plant closed with the loss of 750 jobs—one more blow to heavy engineering.

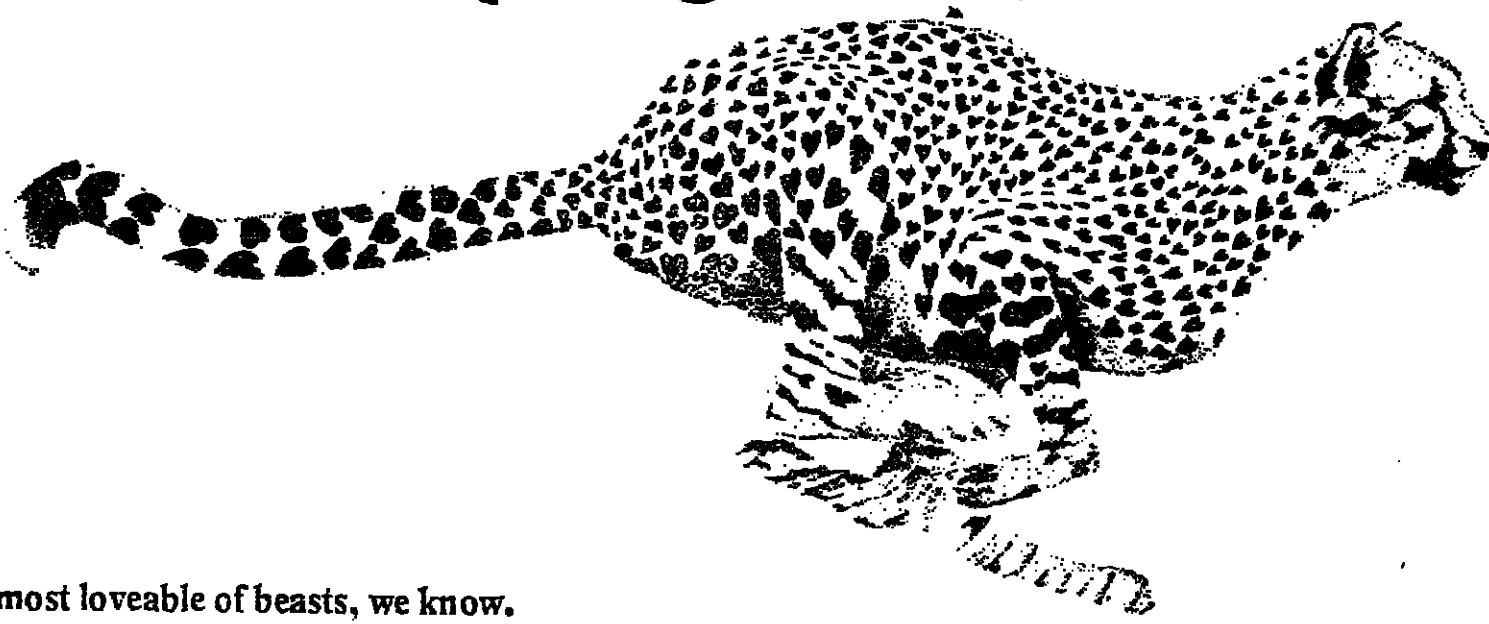
Another Vickers subsidiary, Mitchell Belegs, established before closure, appears to be prospering. According to Walton, it is the "star" of Tyneside, employing about 1,000 workers.

The City of Newcastle made its contribution to the search for jobs and has produced a thorough study of Labour resources in Newcastle—which brings several important facts to light, for instance, that the city contains a higher proportion of skill manual workers than any other area in the country as a whole, but that there is a significant number of skilled people in the unemployment register.

It emphasises that working days lost in scrapages of every 1,000 workers in the region are fewer than in national average in manufacturing, engineering and allied industries. It notes that unemployed vacancies for skilled occupations are higher than in Britain as a whole.

R.K.

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THE NORTH-EAST

building prices. British Shipbuilders have been successful in concluding a pay deal with the unions, which works out at an 11.5 per cent increase but one of the main planks of the deal is that increases must be self-generated. Another 3,000 jobs are to go by means of voluntary redundancies, cuts in excessive overtime and recruiting restrictions, a policy in which the unions are cooperating to the full. Before nationalization the shipbuilding industry had the fourth worst record in Britain for lost hours per employee through disputes. It has, in fact, dropped from 41 hours lost per employee in 1974 to 3.6 hours last year.

The North-east has been prominent in winning new orders. Of the 30 so far secured, about 18 have gone to North-east yards. Sunderland Shipbuilders are building three 11,000-ton bulk carriers and two 76,000-ton banana bulk carriers. At the yard's Pickenham works orders for nine vessels, including some of their famous SD14 ships and some 26,000-ton bulk carriers. Swan Hunter is building two bits and pieces, two submarine ships, the *Illustrious* and the *Ark Royal*, and a 109,000-ton tanker for BP. Swan Hunter could deal with more merchant ship work.

Smith's Dock, which three weeks ago were looking gloomily at empty berths, suddenly secured two orders for banana carriers worth £25m for Geest Industries, for delivery in the second half of 1981. This will give work to 3,500 men for 18 months. At orders are also coming against hefty overseas competition.

There are about 26,000 workers employed by Bri-

tish Shipbuilders in the North-east and it is estimated that another 25,000 in related industries look to shipbuilding for their livelihood. The Tyne and Wear is an example of how the economy of a region is influenced by a single industry. Not only are smaller companies supplying the shipbuilding industry affected by its fortunes but also the service industries which rely on the prosperity of the people actually working in the industry.

British Shipbuilders, in turn, have recognized the importance of not remaining over-specialized in one sector and have diversified their activities to cover naval, merchant and offshore work. The flow of orders continues and the present rate the industry will get over the hump of the next 18 months and start to make profits.

Mr Adam Butler, Minister of State for Industry, told the North-east Coast Institutions' Engineers and Shipbuilders' Conference: "There is still a long way to go towards achieving the productivity in our yards which will make them competitive. The recent batch of orders must be secured by further effort, not an excuse for a breather. The taxpayer is looking for his money to be put to best use. Time is not on our side. Our competitors, too, are striving to improve their ability to sell their products. Each day we fail to make progress they move ahead. British Shipbuilders have to improve their financial performance or, in plain language, they must begin to make profits. They do not want to, and they must not, go on as loss-makers."

There is no doubt that the oil, seen by the panacea for the economic ills, has strengthened the region. Its impact could be four or five times when the North Sea is the first place where oil from the North Sea is processed at the Esbjerg refinery complex, Teesside via a long pipeline with a capacity of a million a day.

It is stated that there are 100 people in the area employed on construction of these oil activities with hundreds more of allied occupation. The Department of Energy recalls that in 1976, there were 100 jobs attributable to the projects.

As the pace of development and the influx of Sea oil on the map passed its new focus of development, the days when platforms were placed in North Sea are over and as now been opportunities associated offshore insurance and maintenance and

State for Energy less than a year ago, the forecast that this market would grow substantially by the 1980s, possibly to as much as £400m a year. Bearing in mind the need for support vessels, diving and allied services he would not like to be out of the picture.

Whether or not his other prediction will come true, that having gained their initiation, in the North Sea, opportunities for North-east companies to supply the offshore market overseas would be the first in taking anybody's guess.

Officials of the Department of Energy, like most civil servants, tend to err on the side of caution. They are not so enthusiastic about the North Sea oil market for North-easters nor are they excited at the prospect of offshore work for the Far East, South-east Asia, India, Brazil and Venezuela, the overseas offshore markets.

The general view from the Department is that in terms of direct impact on the North-east, the North Sea oil industry has peaked out and apart from a few companies making modesty and the like little remains of the boom of the early 1970s.

The bad fact is that, as far as can be seen, the North Sea oil job boom is over as far as North-east companies are concerned. Phillips are established in the area, arguably the largest processing oil terminal in the world at Teesside with a

Anthony Wedgwood, Secretary of

design throughput of a million barrels a day. The Ekofisk field was the first major oil discovery in the North Sea. This was Norwegian oil and an accident of nature which prevented the oil being pumped to the Norwegian coast is really responsible for it being landed at Teesside.

ICI was quick to see the possibilities of security of supply and, in association with Phillips, established on a fifty-fifty basis the North Sea refinery operation in the Teesside Imperial Petroleum with a capacity for processing five million tons of crude oil annually. This produces one million tons of naphtha and the remainder goes to petroleum products.

ICI, in association with Shell, the Nianian field, also takes deliveries from North Sea oil tankers into the North Tees refinery.

Shell has long had a refinery at Teessport, but is now taking some of the heavy residues of North Sea oil. Its impact on employment is marginal. The refinery employs about 300 people directly. Maintenance work provides about 200 jobs on contract to the refinery. As the field is required this rises to anything between 300 and 500 people. Teessport refinery is basically an energy supplier. Among its products is naphtha, which goes to ICI for chemical feedstock, petrol, kerosene, central heating and diesel fuels.

In an industry seisoned to taking shocks and knocks, the 1976 creation by a Labour Government of the British National Oil Corporation was something of a surprise for companies with North Sea oil interests. The fact that the present Conservative administration has not promptly dissolved the corporation is almost as stupefying to the private enterprise men. At the same time, the Department of Energy has not shown a great deal of alacrity in telling the world what their North Sea policies are likely to be.

It is true that Mr. David Howell, the present Energy Secretary, has expressed a desire for increased exploration, but the oil companies are interested in what is going to happen to their shares, to the rules of future licensing and their share of the blocks and whether the Government is going to continue to buy up more than half the United Kingdom oil produced, or at least retain the option to do so.

They would probably like to know, also, what is going to happen to the tax system and whether it is likely to expand its operations. If it does expand, perhaps more into overseas operations, more hardware may be needed and there will be a considerable shipbuilding industry in the North-east which can use all the work it can get.

level of unemployment twice the average, the North-east, and North-west, in particular, is at the top of the steps to woe. A long and sorry history of declining old industries such as mining, coalmining, engineering, has left a mark which requires efforts.

South of the North-east is a classified as a development area, it has been slow to point industrial advantages. Industrialists if they attract attention to Cleveland, Northumberland and Durham.

Outstanding among those who are promoting the North of England Development Council in 1962, with a view to promote the prosperity and the security of the region in the best interests of the 3,250,000 people. The newly announced government have placed a mark over the work.

The council describes itself as "a unique forum for regional endeavour in which, it says, it crosses political boundaries to give a unity of purpose and action. It is the largest of the English authorities responsible for attracting new industry, encouraging the expansion of existing industry and promoting export trade.

A survey last year by consultants made criticisms of the NEDC which the council promptly and forcefully rebutted. On the whole the development agencies know that they are unlikely to escape government cuts, even though rising unemployment, in their opinion, makes their work more important than ever.

The NEDC has become inured to criticisms and to forecasts of its future. It has tended to concentrate recently on seeking new industry from abroad and has fostered joint ventures by overseas and North-east companies.

In considering new industry, one turns naturally

to micro-circuitry and silicon chips. The NEDC and other bodies joined in submitting a case for establishing Innos, the micro-electronics development, in the area; and everybody was disappointed and little surprised by the announcement that the first manufacturing sector for Innos would be at Bristol, and not in the south Durham area as the previous Labour administration had pledged.

Undaunted, however, the NEDC is determined that the second manufacturing unit will go to the North-east, and is preparing its case to try to ensure this. It has produced a list of companies which use micro-electronics, or are involved in their application, design or development. With research and training courses already established in this technology, the North-east feels that it has a start on other areas.

In other fields, the NEDC has had significant successes recently. International Air Carriers (Gatwick) are to establish a plant at the airport, Newcastle, with a staff of 30 increasing to 70 in two years. They will


people at the beginning and intended to open by April. Critics might note that the company wrote to the NEDC: "We do not exaggerate: if we state quite clearly that without your financial support, your organization we would never have reached a final decision to establish our subsidiary in northern England, or indeed anywhere in England, in fact."

In its last annual report, the NEDC noted that inquiries received by all agencies in the region rose by more than 40 per cent to 2,575. More than 80 per cent of foreign corporations established in the North are American, and it is confidently predicted that most of the new investment projects will be American. In the long term, from the United States.

The attraction clearly is that Britain is a base not only for the British market, but also a stepping stone to Europe. Foreign companies enjoy being rated as United Kingdom companies for tariff benefits and so on. With financial incentives offered by the British Government for new industry, a

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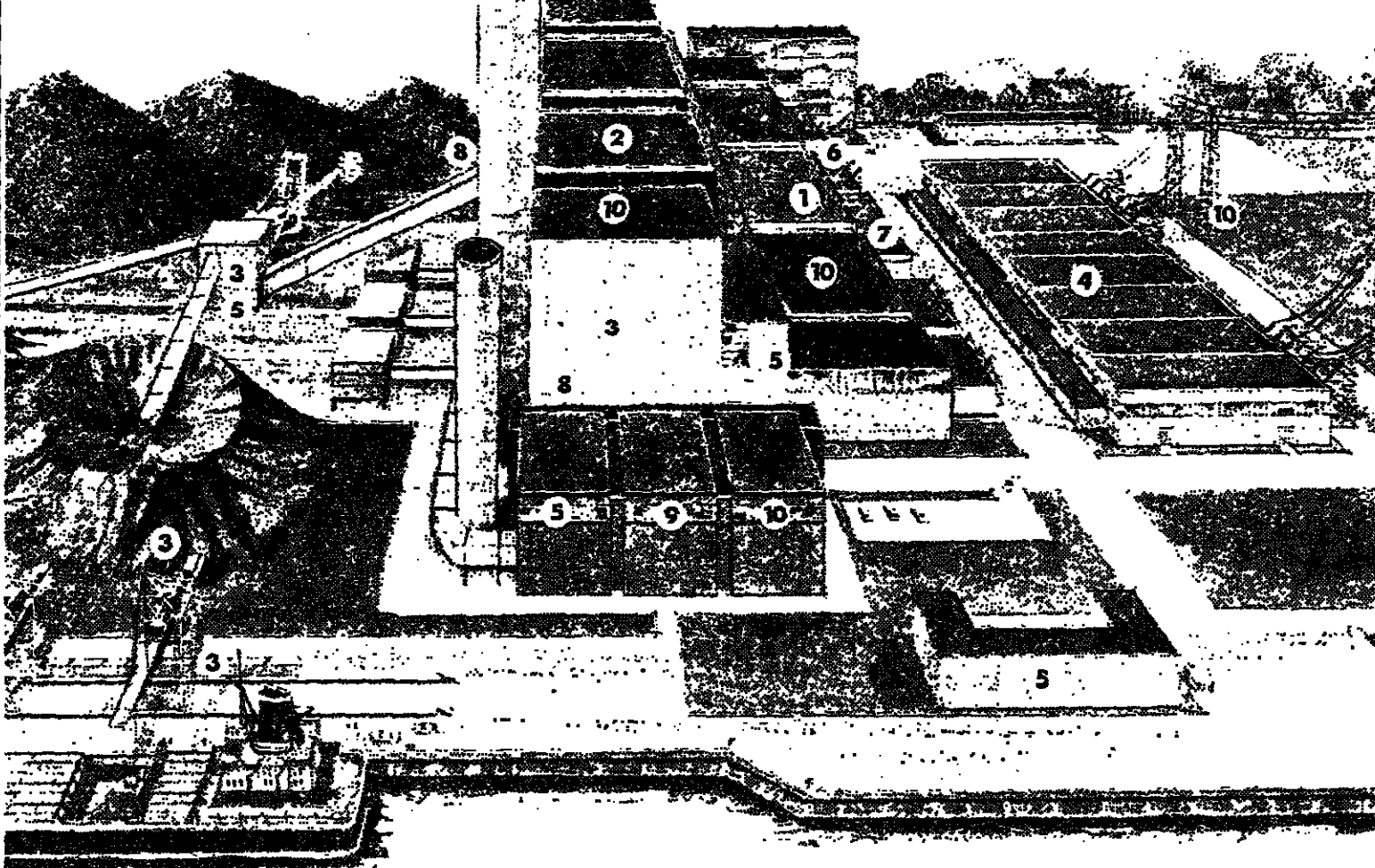


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conjunction with Tyne and Wear County Council in September, when, gathered together at a city centre site, will be the evidence of Tyneside's enterprise, expertise and endeavour with particular emphasis on the engineering and energy industry. Exhibitors range from


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For further information on the Exhibition and Conference contact:
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City of Newcastle upon Tyne · Tyne and Wear County Council

John Chartres explores the tourist attractions of Northumbria and Alan Grainge outlines two massive construction projects — the Kielder Dam and the Tyne and Wear Metro

Breathtaking scenery beyond the industrial strip

The North-east of England, still wrongly associated in many people's minds with chilly winds from the Euro-Asian land mass, industrial haze from the shipyards and factories, and people who speak like the actors in *When the Boat Comes In*, does not immediately come to mind as a tourist paradise.

Statistics show that it certainly does not strike many people as such either in Britain or in the rest of the holiday-seeking world.

A map giving "tourist nights per square mile per day" prepared by the English Tourist Board showed that the area conveniently called Northumbria averaged 13. This was the lowest figure recorded in England and compared with 405 in London, 59 in the Southern region, 45 in the South-east, 42 in the North-west and 34 in the West country. The English Paradoxically it may be that the relative absence of tourists and thereby the

The excavated Roman fort, Vindolanda, just south of Hadrian's Wall, is a favourite with tourists.

absence of "touristy" features provides the region with its special attractions to the discriminating.

Where else, for example, in crowded England can a motorist enjoy that rare sensation of driving over excellent roads, rolling over fells and valleys on a starlit night with full beam headlights on almost continuously?

During many a journey that this correspondent has made in the breathtaking scenery such as the Upper North Tyne Valley, the Cheviots between Otterburn and the Scottish Border and into the fascinating little fishing ports like Seabouses, Boulmer and Craster, the

most serious hazards encountered have been startled rabbits and slow-moving hedgehogs. Yet there is never any sensation of being in a wild and inhospitable place — an experience one can have on some of the Pennine roads between Lancashire and Yorkshire farther to the south.

Many of the misconceptions about the North-east arise from the fact that it does, of course, contain a large, densely populated area in the main devoted to the heaviest of heavy industry, and is, in a very

real sense, one of the workshops of the nation.

What is not always appreciated is that the industrial part of the North-east is neatly and tightly enclosed in a narrow strip running about 50 miles along the coast from south to north, seldom encroaching more than 20 miles inland, and terminating at its northern extremity round about Ashington at the top end of the old Northumberland coalfield.

Outside this strip the true North-east, or Northumbria if one prefers to use a word which is much more evocative and pleasing to the ear, there is a vast, almost undiscovered world of rolling moorland of villages with their special charm and sense of permanence and tranquillity which no other human settlements in the world possess; and all along the coast from Tyne-mouth to Berwick-on-Tweed are some of the finest sandy beaches to be found in the kingdom of England, let alone the kingdom of Northumbria.

It has to be said that these same magnificent stretches of sand have one disadvantage to the average beach lover — they are only occasionally warm enough

to lie upon while clad mainly in a layer of sun-tan cream. On the other hand they are sometimes warm enough for that and they seldom even take on the human appearance of geographically similar strands around such places as Blackpool, Southend-on-Sea, Torbay and Brighton.

Many of the North-east's attractions to the discriminating tourist lie in its history. Northumberland and Durham are steeped in it and a fair amount is to be found in between the tower blocks and motorway underpasses of Tyne and Wear. Almost everyone, it seems, who played a part in major and minor military and political conflicts left something behind in Northumbria to mark the spot. The Northumbria Tourist Board's official guide is entitled *Northumbria, the Historic Kingdom*, and it tempts the would-be tourist by listing such attractions as "oak-smoked kippers at Craster; pony trekking in Kielder Forest; bargain hunting at Newcastle's quayside market; exploring Vindolanda's Roman excavations; eating venison at a country tavern; ghost hunting in Blanchland; exploring ancient battlefields;

sampling a Geordie music hall" — to name but a few of the joys.

Even this list omits the pleasures of a beverage called Newcastle Brown (which sustained the Durham Light Infantry and other noted military organizations through many a battle over many decades), nor of "a pint of Scotch" which happily has a very different meaning from that which might be implied farther south. It also omits the glider toffees and black bulls which can be bought as well as good beer in Balmora's Bar in Newcastle from whence a group of people departed to the Blaydon Races on June 9, 1862, thus earning themselves a place in posterity as a result of a jolly song written by Mr George Ridley of the same city.

Northumbria is a special place for the naturalist too. There are probably few more attractive regions for the serious ornithologist or the casual birdwatcher, with the Farne Islands, the Washington Waterfowl Park and the Ganton World Bird Research Station of particular importance. Apart from these reserves, the whole of the countryside and coastline usually provides some-

thing worth photographing or just looking at.

Selling tourism in regions remains hard for all concerned and rather sad loss recent been the disappearance of the crowds of Norwegians pouring into Newn upon Tyne to shop in because of highly sale prices — some of even bringing their over for servicing.

Now the price advantage has closed to escape Norwegian officials are looking more closely at the of good being taken as "personal purchase and in any case the passenger sailings from were cancelled last an leaving only one week vice from Denmark as with Scandinavia.

Previous "guesses" put the value of this special aspect of tourism about £15m a year in fish to shopkeepers, 1 lers, taxi-drivers and prising little firms' the back doors of store the docks. Its disappearance is regarded as one piece of bad news for region.

Transport system is pride of region

Britain's first fully-integrated public transport system, the Tyne and Wear Metro, will become operational in its initial stages in June. It is usually a source of regional pride and one that is justified by much more than the cost of £176m at 1975 prices. That figure alone makes the Metro the biggest project of its kind seen in Britain.

But while the North-east, as visitors are quickly reminded, pioneered Britain's railways the metro's rapid transit system is

something different. The metro is more than a railway: it combines the best of modern urban transport with the technology of modern continental tram systems. It is, in fact, a high-quality transport system integrated with an efficient bus service network.

The Tyne and Wear Metro is designed to carry up to 20,000 passengers every hour in each direction. It will form the heart of the region's new system, speeding passengers from many areas of Tyneside to new stations in the centres of Newcastle and Gateshead. New bus services will run within the areas served by

the metro to link up with most of the 41 stations on the metro system.

In considering the area's transport situation a number of possibilities, ranging from more investment in roads with many bus services to a massively-improved suburban railway system, were examined.

These studies showed that the rail network offered considerable potential in the form of a super-tram system linked with a truly integrated network of buses, ferry and British Rail local services was a better alternative to the previously planned urban motorway

city centre and was no longer suited to modern travel demands.

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network. On its own track, independent of road congestion, the metro offered the solution to the area's public transport problems.

Work on the construction of the metro has produced at least three outstanding civil engineering achievements. One is the steel girder bridge over the Tyne. Its span of 164.6m (540ft) is the largest on the river and its height is 24.5m (80ft) above water level at high tide, allowing unrestricted passage for shipping. The Byker viaduct, which has been commended for its striking design by the Royal Fine Art Commission, crosses the Ouseburn

valley at a height of (98ft) and is 520m (1,700ft) long with 18 spans.

The Monument station which is the centre of the metro system, is the where the twin-track rails of the north-south east-west routes cross in centre of Newcastle. too, is regarded as a civil engineering triumph. With the Monument station as its focal point the Tyne and Wear Metro will carry passengers at speeds of 50 mph throughout region and on both the River Tyne.

REVEALED!

How Mr. X used the system and gained a cool £¼ Million in one move

'It wasn't something I wanted to do at first' Mr. X revealed to me in an exclusive interview. 'But the more I thought about it, the more attractive the idea became.'

Mr. X was a typical businessman, hard-working and ambitious but hampered by problems — old and cramped premises, out of date machinery and never enough money to do anything about them.

Then he saw an advert about Peterlee New Town.

'It said that Peterlee was in a Special Development Area and that by relocating there I'd get all the available grants and benefits going, and possibly even assistance from BSC to buy new plant and machinery. In my case it added up to just under a quarter of a million pounds in grants.'

I decided to probe deeper. And that clinched it?

'Not just that' Mr. X replied. 'The ad also said that factories from 600 to 50,000 square feet were readily available, that there was room to expand if required and fully serviced sites from ½ acre to 40 acres available if I wanted to build my own factory. It talked about the existing labour force,

housing for key personnel and Peterlee's excellent communications links — positioned right on the A19, 10 miles from the A1(M), with Inter City 125 trains to London from Durham and Darlington, full port and docking facilities at nearby Tyne and Teesside and two airports within 25 miles...'

Mr. X stopped as if he had already said too much.

'So you relocated and collected the cash?' I asked.

He smiled.

'The temptation was too great for one man'.

'And the results?'

Mr. X leaned back in the chair in his spacious, airy office and pointed out of the window to his new factory premises, framed by green fields.

'Just look around you!' he said.

For further details on Peterlee New Town and the grants available contact:



Peterlee Development Corporation
John MacLeod,
Director Industry & Commerce,
Peterlee Development Corporation,
Lee House, Voden Way,
Peterlee, Co. Durham.
Tel. Peterlee (0783) 863366
Telex 537246

Taming the three rivers for the year 2000

In May 1970 the Northumbrian River Authority decided in principle to seek powers for the construction of a reservoir at Kielder in the North Tyne Valley and of an aqueduct linking the rivers Tyne, Wear and Tees. Work on this huge project began in 1974 with the reconstruction of bridges and improvements to highways, and the main construction work was started early in 1975. It is expected that the work will be finished in October this year.

From the time of its conception 10 years ago the Kielder Water Scheme has been an abundant source of facts and figures, most of them relevant, and it became the subject of fierce debate between the conservationists and those who saw the region's water supply resources as an urgent problem.

The debate was resolved long ago, and some of the facts can now be allowed to speak for themselves. The Kielder reservoir, for instance, will be just under seven miles long and its surface area of about 2,700 acres will make it larger than Lake Ullswater and three quarters of the area of Lake Windermere.

But the reservoir is only one component of the Kielder Water Scheme: the other is a 25-mile aqueduct from the Tyne to the rivers Wear and Tees in the south.

It is expected that the total cost of the scheme will be more than £140m. Happily, however, the full impact of this will not fall on the ratepayers of the North-east.

A third of the cost, about £46m, will be provided by EEC and British govern-

ment grants. Further assistance from the EEC will be given by way of reduced interest rates, and the rest of the money will be borrowed from the National Loans Fund.

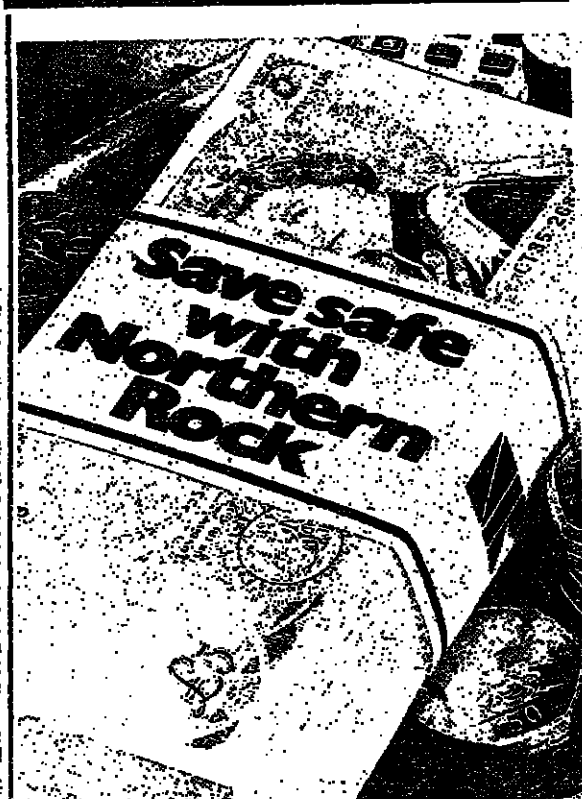
The Kielder reservoir, with a maximum yield of 250 million gallons a day, is required to meet the region's needs until the next century. An indication of how urgent the water supply problem had become in the region are the estimates that the daily demand will reach 417 million gallons a day by 2001, while existing resources provide little more than half that amount.

Inevitably, the size of the Kielder project has inspired publicity descriptions which, even if they fall short of superlatives, provide a picture of its grand scale. The reservoir will be one of the largest man-made lakes in Europe and it will be in the largest man-made forest in Europe — although 1,500,000 trees had to be felled to make room for it.

The dam will be three quarters of a mile long and 170ft high — as high as Nelson's Column. In addition to providing the water needed for both domestic and industrial use Kielder Water will introduce many secondary benefits to the North-east. It will be developed for recreation and tourism, and one of the essential aspects of the scheme is the provision of a caravan camp, camping sites, forest cabin, and hotels.

The flooding of Kielder Water is expected to begin in December, but it will be the spring of 1982 by the time it is filled.

A.G.



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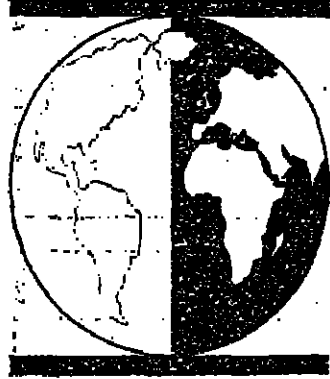
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Scottish Office: 27 Castle Street, Edinburgh EH2 3DN. Tel: 01 2263401.





EEC says US Steel's claims are 'excessive'

The EEC Commission yesterday said some of the claims made by US Steel in its anti-dumping suit against foreign exporters are "excessive".

It applauded the decision of Bethlehem Steel, National Steel and Inland Steel not to follow US Steel's example.

The Commission strongly denied it was contemplating any sort of retaliatory action. "The Commission, for its part, will do all it can to prove that the complaint is unfounded", the statement said.

It repeated its view that the Carter Administration's suspension of the trigger price mechanism was regrettable, saying this could drastically reduce European deliveries to the United States and at the same time weaken resistance to protectionist forces.

Canada's zero growth

The Conference Board has forecast zero real growth for Canada in 1980, revising its previous forecast of 0.7 per cent growth because of the worsening United States economy.

3.9 pc production rise

Japan's industrial production index rose a sharp 3.9 per cent in February to a preliminary 145.2 (base 1975=100), seasonally adjusted from 139.8 in January.

China talks to IMF

Negotiations on the possibility of China joining the International Monetary Fund are being held in Peking in the utmost secrecy. An eight-member IMF mission arrived on Tuesday at the invitation of the Bank of China.

Swedish price freeze

The Swedish government is introducing a general price freeze until May 9 to help introduce a new central wage settlement.

German surplus widens

The West German trade surplus widened in February to DM460m (£109m) from January's DM42m, according to the Federal Statistics Office.

Record car exports

Japan's car exports reached a record 486,180 units in February, an increase of 21.8 per cent from January and 42.5 per cent from a year before.

Loan for Greece

The European Investment Bank has granted a loan for 20 million units of account (about £12m) to assist with financing industrial and tourism ventures in Greece.

Government pledged to early decision on plans for shipbuilding Facing up to a handover of the shipyards

Over the next few months the Government will take a firm decision on the timescale for its plans to implement its commitment for the denationalization of the shipbuilding industry.

The prospect of a hiving-off of the profitable shipyards in the first instance will be a prelude to offering back the whole of the industry, although on present prospects the chances of securing buyers for the merchant yards, is to say the least, remote.

But union sensitivities have been ruffled considerably by a discussion which senior officials of the Confederation of Shipbuilding and Engineering Unions had with Mr Adam Butler, Minister of State for Industry, with special responsibility for the shipbuilding industry. He made it clear that the commitment to divest remained, and the union leaders deduced (quite accurately) that it will be sooner rather than later.

The message handed out by Mr Butler was reaffirmed yesterday by Sir Keith Joseph who said a decision would be taken in the next few months, although it might not be the final

decision. The indications are that as a result of growing back-bench pressure ministers are being reminded rather more frequently of the pledges made before and during last year's General Election.

The shipbuilding industry is proving to be something of a headache for the Government given that last July a two-year lifebelt was thrown to British Shipbuilders. It is within that framework and the financial regime laid down by the Government, that the State shipbuilding corporation has to work in the period to July next year.

But as its current financial year draws to a close—it will just be inside the £100m loss limit for the year—the financial wizards at BS are doing their sums for the next financial year.

This year has been a bit of a struggle. The external financing limit was set at £250m and the loss limit at £100m after crediting cash from the Government's intervention fund—the pool from which BS can draw subsidies to narrow the gap between United Kingdom building prices and those of its competitors. But the lifebelt which Mr

Butler tossed overboard last year is not all that it seemed at the time because it represented a financial target limiting its trading loss. Before crediting intervention fund assistance to £90 and an external financing limit of £120m.

It is against the strengthened financial circumstances and the tough limits involved that BS is now busily compiling a dossier on the difficulties it will face in meeting the target.

Although BS is two thirds the way to its 45 merchant ship order base load, the executives of the State shipbuilding concern are not a little worried about the Government's failure to translate its pledge to advance public sector orders to the benefit of the state yards.

This is posing problems for a number of yards solely in the specialist warship sector where there is some prospect of orders from the Budget committee to lift defence spending, but particularly in the mixed yards.

Apart from a few minor craft the level of public sector orders which had been hoped for has been abysmally low. Similarly the high level of sterling has mitigated against the warship builder's efforts to secure ex-

port contracts which have long been a useful source of work and revenue.

But denationalisation prospects could well serve to obscure the real financial problems faced in the short term, and the Government is already faced with a comprehensive revision from the CSEU which totally rejects the idea of partial or full scale denationalization.

The latter, seems somewhat unrealistic and improbable but there is no doubt that the shareholders of Vespene, Yarrow and Vickers, the warship builders, who are growing angry and bitter over the delay in payment of compensation on nationalization, see more than administrative and bureaucratic red tape as the reason for the delay.

The changes in the higher echelons of the board add a further dimension to the confusion and anxiety now being experienced at British Shipbuilders and for them, and for possible private sector purchasers, the Government's decision will be eagerly awaited.

Peter Hill

NEB backing for new microcomputer device

By Kenneth Owen
Technology Editor

A new company, Technolabs Computing, has been set up with National Enterprise Board's backing to produce a microcomputer device for use with videodata and teletext information systems.

Known as TECS (Technolabs Expandable Computer System), the product is in essence a videodata terminal with local information storage and normal data-processing facilities. Pages received over the telephone network using the Post Office's Prestel service, or broadcast by the BBC's Ceefax or ITV Oracle teletext system, can be stored on a flexible magnetic disc at the terminal.

Pages can be created at the terminal and stored either on the local flexible disc, thus providing a basic in-house videodata information system or, if appropriate, on the Prestel system. Pages can be printed out, if required, using an optional add-on printer.

The new company will be managed by Sapling Enterprises, a management and finance group set up last year jointly by the NEB and Collinson Grant Associates. Sapling will also provide finance for the new company, and has arranged for sub-

contract manufacturing by Rigby Electronics of Manchester, another Sapling company.

The entrepreneurs behind Technolabs Computing are three Liverpool electronic engineers—Mr Laurence Cook, Mr Andrew Polkowski and Mr Michael Siddons. Their predecessor company, known simply as Technolabs, is exhibiting at the international videodata exhibition at Wembley Conference Centre this week, where the TECS has provoked much interest.

The National Enterprise Board's involvement in the formation of Technolabs Computing represents an investment in the NEB's north-west regional board.

Another NEB enterprise, the board's Aegon subsidiary (formerly known as Videodata), has announced a £1.1m loss for its first year's (actually 10 months') operation. Revenue for the year was £1.8m, and the loss is attributed mainly to the cost of market and product development, which is written off as incurred. Total NEB investment in Aegon up to the end of 1979 was £4.1m.

Further finance needed by Aegon is expected to come from both the NEB and the private sector.

Burmah asks judge to free sale documents

Another round in the legal battle over the content of Whitehall documents which Burmah Oil wants to be disclosed for its pending £179 million action against the Bank of England opened in the High Court yesterday.

Burmah asked Mr Justice Whitford to overrule a government order to withhold five documents containing minutes which passed to government ministers or top officials when terms were being negotiated for the sale to the Bank of Burmah's substantial holding in BP.

The company's move for disclosure is opposed by the Crown, which says it would not be in the public interest.

In its pending action, Burmah is claiming the return of BP shares which it alleges the Bank acquired under value when Burmah was in financial difficulties in 1975.

Mr Leonard Hoffman, QC, representing Burmah, said it was complaining that it was placed in a position of "complete inequality of bargaining" with the Bank.

Mr Hoffman recalled that last November the House of Lords upheld a government ban on another set of documents Burmah had wanted to be disclosed. Since those proceedings, the Bank had listed further docu-

ments whose disclosure had been prohibited.

Mr Hoffman said the Crown compelled Burmah to play "guessing games" with the documents. "We have to surmise from what description we have what it is that they are likely to contain before the judge asks us to decide whether they do contain."

"It is an odd exercise. We have concentrated on five we think the guessing game can be played with the most likelihood of success."

He said that Burmah's 21.6 per cent shareholding in BP had been pledged to the Bank as part of an earlier rescue operation. Burmah later found it needed cash and the only way was to sell its BP stock.

A suggested arrangement for the Bank to buy the holding and allow Burmah a share of any profit on a resale was reported to have met with some hostility by the Bank's "Whitehall partners".

The company was later presented with a new non-share package without profit sharing.

Mr Hoffman said the Bank's governor and deputy governor had said a profit-sharing agreement would have been reasonable.

The hearing continues today.

Success for Iceland's adaptable fishermen

From Michael Frenchman
Reykjavik, March 27

Britain must stick up for its rights and fight for its fishing grounds if its fishing industry is to survive. That is the general view taken by leaders of Iceland's booming industry, which last year had a record catch of 1.6 million tonnes, nearly 100,000 tonnes more than in the previous year.

There is a great deal of sympathy here for the fishermen of Hull and Grimsby who have been offered a pitiful £3m aid

by the British Government—a sum not much more than the cost of a single fully equipped deep sea trawler. In sharp contrast millions of pounds have been spent on modernizing the Icelandic fishing fleet.

Since 1973 the number of vessels has been gradually reduced. Ships have been lengthened and fitted with new equipment or replaced altogether. Changes which also reflect the substitution of capelin fishing for the declining herring stocks. Capelin is a pelagic species like herring, which is processed for oil and fish meal but does not

have such an economic yield as the herring.

Mr Agust Einarsson, of the Federation of Icelandic Fishing Vessel Owners (LFO), said that the number of capelin vessels had fallen by more than half since 1973 to 53 today. Total capacity of the capelin purse seine fleet was about 35,000 tonnes which averaged about 400-600 tonnes capacity per vessel.

He estimated that it cost about £500,000 to modernize a 600-tonne boat by lengthening and giving it an enclosed bridge deck and thus turning it into

an up-to-date capelin vessel.

The cod fleet now consisted of 81 trawlers representing a total insured value of £96.5m. Cod is Iceland's most valuable fish and about 50 per cent of the catch (567,973 tonnes last year) is taken by the 100 small multipurpose vessels of between 21 and 50 tonnes which spend about 200 days a year at sea with long lines and gill nets.

Another group of 140 slightly larger vessels of between 50 and 110 tonnes also go in for long line fishing and trawling in the summer.

LETTERS TO THE EDITOR

Damaging effects of building inspection fees proposal

From the President, the National Federation of Building Trades Employers

Sir, The National Federation of Building Trades Employers believes that the Government's proposals to charge fees for building control inspections and approval of plans—set out in "The Building (Prescribed Fees) Regulations, 1980"—should be reconsidered as a matter of urgency.

As they stand, the proposals laid before Parliament on March 11 and due to come into effect on April 1 would almost certainly have the diametrically opposite effect to that intended.

By this I mean that the intention of the scheme is presumably to enable local authorities to raise additional revenue, whereas interpretation of the proposals, particularly the method of charging, is already providing instances of local authorities recruiting additional staff, or engaging outside consultants, to cross-check the validity of fees.

Any scheme based on a proportion of work being subject to charges, as this one is, will inevitably lead to disputes between builders and local

authorities over interpretation and charging.

Such disputes would require a whole new army of bureaucrats to resolve them. I cannot believe that a government committed to reducing bureaucracy can have appreciated the heavy additional burden it would be imposing on local authorities administering the scheme.

Moreover, the NEFBE objects in principle to the charging of fees for this type of work. We believe that, as happens in areas such as weights and measures, food and factory inspections, such costs should be borne by government at central or local level.

But the Government is determined to impose what is, in effect, an additional "tax" on our industry then at least the proposed scheme should satisfy three main criteria:

—It should be capable of clear interpretation by the parties involved;
—It should be equitable in application as between different types of work and sizes of contract;
—It should be clearly set in the wider context of the future operation of the building con-

trol system as a whole.

The scheme as it stands is, in my view, a poor proposal, and I submit it for your consideration.

If the Government ahead with such a heavy and complex proposal surely has the obligation to ensure that it will not cost the industry more than it will save.

Certainly, the direct costs of this scheme coming into effect on April 1 would be heavy additional costs to building industry—costs which would inevitably be passed on to the consumer in higher prices for building materials and for new private housing.

NEFBE therefore urges the Government to draw this Order and to further detailed consultation with our industry over the proposed scheme.

Yours faithfully,
JOHN ALLEN,
President, NEFBE
The National Federation of Building Trades Employers
82 New Cavendish Street
London W1M 8AD.
March 25.

Expansion of Britain's coal industry

From the chairman of the National Coal Board

Sir, Your energy correspondent's reference (March 24) to financial changes which may be included in a forthcoming Coal Industry Bill reveals a fundamental misunderstanding of the industry's objectives.

When the world energy situation changed dramatically in 1973/74 the Coal Board came forward with a plan for the re-expansion of the industry, following on 15 years of imposed rundown. It was made clear in the new plan—and accepted by government—that a swing from contraction to expansion in a large-scale basic industry, with long lead times, would present many problems.

In particular, if the re-expansion was to be achieved in time to meet the anticipated increased demand for coal after oil supplies had reached their peak, the industry would be unable (because of the previous prolonged period of rundown)

to generate all the funds required for the accelerated investment programme. There would be an inescapable need for substantial external borrowing, entailing a growing interest and repayment burden. It was therefore agreed that some measure of state assistance would be required during the build-up period.

Six years have now elapsed since the industry's expansion plan was agreed. The investment envisaged in that period has been undertaken, output and productivity are rising, financial objectives are being met and the industry has established itself as one of the most technologically advanced mining enterprises in the world.

Yours faithfully,
DEREK EZRA,
Chairman,
National Coal Board,
Robert House, 15 Abchurch Lane,
London EC4N 3AE.
March 26.

Effects of inflation

From Professor Antony Flew

Sir, Rarely can you have received, and still more rarely published, so brief and blatant a manifesto of unbridled and irrationalism, as the letter from Mr. Taylor to which you give pride of first place today (March 26).

He writes, "Not without a measure of truth: 'Very few of us escape the effects of inflation but, except possibly in wage negotiations, nobody is immune from its distortion by inflation.' But he does not want us to draw the sound and urgent moral, that anyone who wants either to know or to represent what is actually going on necessarily has to take account of these distortions. Instead he concludes: 'Everything is distorted by inflation, so why try to cover embarrassing high profits by using such a meaningless phrase?'"

But that phrase is, alas and

of course, not meaningless but, on the contrary, crucial to our understanding of absolutely everything measured in money terms. Certainly, if my pay has not in the last year risen by more than the rate of inflation, my cost of living index, then my income has in real terms declined. But, equally certainly, it is only to the extent that somebody's profits have risen faster than the rate of inflation that that somebody's profits have in real terms advanced.

It is precisely in so far as people like Mr. R. T. Taylor do refer to distortion by inflation when referring to wage negotiations, but nowhere else, they are being both arbitrarily unrealistic and systematically irrational.

ANTONY FLEW,
Professor of Philosophy,
University of Reading,
Whiteknights,
Reading, RG6 2AA.
March 26.

of special facilities for European Payments Union money supply grew rapidly.

Those who may have been convinced by Professor Flew's sweeping generalization would be well advised to read Professor Harry Johnson's *A Monetary History of the United States*, which appeared in *Economic Journal* in 1961.

Nothing that Professor Flew said on BBC 2 last week that his theory more soundly based than at that time. Much of said about, eg. Japan statistically incorrect to more than one in ten.

SEAN STEWART,
The Old House,
Willards Hill,
Etchingham,
East Sussex, TN19 7DB.

Wide scope of public relations

From Mr Norman Hart

Sir, I would like to add a further dimension to the excellent overview of public relations by John Sudell as President of the Institute of Public Relations on the matter of upholding high standards. (March 25.)

Not only is press relations simply a small part of the second generation of PR itself has expanded rapidly over the past five years to embrace all aspects of corporate affairs whether on behalf of a commercial organization, a local authority or indeed government. It has become a

deliberate and planned management function designed to ensure that good lines of communication exist both to and from an organization and all its publics.

Perhaps of the greatest importance in terms of "standards" is the emergence of a second generation of PR practitioners who have studied and qualified for a Diploma in Public Relations, the nationally recognized qualification administered by the CAM Foundation on behalf of all branches of PR business. Certainly CAM

students and graduates be found to be "unhelpful, incompetent" having taken a three-year course in public relations and a very stretching exam conducted by the top officials in the business.

Yours faithfully,
NORMAN HART,
Director,
Communication Advertising Marketing Education Foundation Limited,
Abford House,
15 Wilton Road,
London SW1V 1NJ.

UK lagging behind in data protection

From Mr C. P. D. Davidson

Sir, The article by Rory Johnson (March 26), in which he poses the headline question "Do computers really threaten our privacy?", sheds further light on a matter which has remained in the shadows too long. But in doing so it further underlines the complexity of the issues involved and the scope that exists both for misinterpretation of the nature of the problem and misunderstanding of the steps that are necessary to achieve a solution.

At the root of the matter are three fundamental facts:

1. There is a growing world dependency on stored information.
2. There is public awareness of increasing vulnerability to the use or misuse of personal data, the existence of which may be unknown to those concerned, and possibly inaccurate.
3. Great Britain is trailing behind its overseas trading partners in the matter of introducing data protection measures.

Mr Johnson, while apparently accepting this scenario, proceeds both to question the efficacy of the Lindop proposals aimed at preventing abuse and to deliver journalistic swipes at many of the more substantive arguments that have been levelled in the controversy.

He suggests that the computer threat is exaggerated—that even if it is real then effective cross-border controls are impracticable and even if they are

practicable they may not be desirable in face of possible misuse by governments.

It is true that existing law can be of use in preventing some forms of data abuse, but the protection is very far from comprehensive as it stands and general criminal law can never be equated with the safeguards of bespoke data protection legislation—specifically designed to cope with the "data mountains" of the future.

It is also true that most companies implement data security systems but such security is frequently lacking, for financial reasons, in the public sector systems.

Mr Johnson is certainly correct in stating that legislation is exceptionally difficult to draft. It is for this reason that Lindop recommended a data agency which could sound Britain's voice at the several European forums now seeking a harmonized approach to the problems.

An agreed code of practice, leading in five years to legislation, forms part of the Lindop recommendations. Certainly, as the article states, Parliament is not the place for these rather esoteric discussions but a properly constituted body with access to specialist knowledge could speak powerfully for Britain and give guidance to many of us who have to wrestle with the difficulties.

The problem will not go away and it will get more complex. Britain's views are not being taken into account in international deliberations, particularly

those at the Council of Europe and until we have an active body to speak for us is cause for concern.

Any club, if it is the active participants, members who are the active and who are passive by have to decide decisions in the long run.

By its failure to agree a policy on data protection and therefore its strong influence on the of Europe Convention matter, it is likely to find it just that position. We then have no option but into line with the majority on a legislative basis which would have little influence on formulating.

Mr Johnson may imp the legislation in production. It is unnecessary and want and he suggests somewhat negative and elusive article that a fair policy would best be bill.

Whether our EEC negotiations are indeed necessary relevant is, I submit, of secondary importance. In that it is across the front of these countries and with permission of their government that we must continue to our data. For this reason implementation of the I proposals should go ahead on delay.

Yours faithfully,
C. P. D. DAVIDSON,
Group Commercial Director,
Lucas Industries,
Great King Street,
Birmingham B19 2XP.
March 27.

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- Capital expenditure programme for 1980 increased to £9m.

Salient Figures	1979 £000	1978 £000	Increase %
Sales	262,000	248,000	5.5
Profit before tax	19,025	18,120	5.0
Earnings per share	42.34p	41.31p	2.5
Ordinary dividends	8.4p	6.48p	29.6

The A.G.M. will be held on 15th May at New Zealand House, Haymarket, London, S.W.1.
Copies of the Report and Accounts will be available after 23rd April 1980 from the Secretary, APV Holdings Limited, P.O. Box 4, Crawley, West Sussex. RH10 2QB.

APV HOLDINGS LIMITED

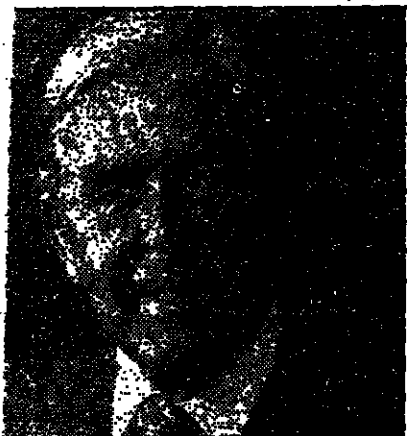
BY THE FINANCIAL EDITOR

After the Budget

It is a market needed reminding the Chancellor that the corporate sector has been hit by the budget. The Chancellor's omission to do very much (other, of course, than businesses) was not the only disappointment with the extent of the gains tax changes was also for bringing out sellers who have been holding out in the market for a better treatment. It market prices drifted lower interest rather than very much he authorities were hoping that might bring the market up to which the long tap was last they were disappointed. True, does not have to move all that much that level, but investors no reason to chase this market. In short, they are waiting to come of the steel pay inquiry. There are growing doubts that the rate will be much change in short rates until at least June and, well into the third quarter, there was no spur for gilts from the predominant feature of the market—the continuing strength of the dollar. With the United States economy moving into a tax paying day well before that we have not yet top of United States interest

at

is touched £80m pre-tax in 1976-77 and external disputes have Lucas showing what it could do for run on the industrial front. It is going to be no exception; the strike cost the group £20m in 1976 and with all the other troubles of the Kingdom motor industry vehicle equipment division low, the first half have almost halved to £12.3m. The coup that exports about a fifth of production, the strength of sterling Lucas to accept thin margins on sales to keep volume moving £86m to £101m. Overseas how is reaping the benefit of the shift in local manufacture with the despite £34m losses from movements. A question for investors is the which Lucas can make up the on the United Kingdom operation second half. With the aerospace the losses incurred during ering dispute, virtually all the was in the vehicle equipment which made a trading profit last 3m. The latest half-yearly figures com- a poor half last year when it cut by perhaps £15m because of



Mr. Gordon Borrie, chairman of Lucas.

dispute and road hauliers disputes, riving fall appears to be around a gh the second-half has started on a note, particularly in aerospace e order book is £300m and trading ould double to perhaps £34m. But quipment is still going to be down uch as a fifth and the steel strike n out to have a more serious impact resent appears likely. 3-half profits, then, will not match s £47.5m and the most that can be

expected is £54m and even that assumes that further industrial disputes do not upset the calculations. Fortunately the group has a strong balance sheet to tide it over although the profits setback is already forcing Lucas to look hard at its capital spending. The shares recovered half their 20p initial fall yesterday to close 10p down at 210p where they are selling at seven times prospective earnings and yielding 7 1/2 per cent on a maintained dividend. And the latest United Kingdom setback looks as though it will increasingly shift the focus of its business abroad.

Northern Developments

Some wider implications

In a complex judgment, Mr Justice Gibson has upset some widely held assumptions in the City and industry about a banker's relationship with its customers. This judgment arises from an action brought by William and Glyn's bank against Mr Derek Harris, former chairman of Northern Developments, a housebuilding group which crashed in 1976.

The bank sought to recover sums advanced to Mr Barnes personally. While some of the claims and counter-claims of the case refer to particular aspects of the case, there are wider issues.

One is the extent of the duty of care which a bank has towards its customers. Mr Barnes alleged that a bank has a general duty to advise arising out of the banker-customer relationship. The judge found that a clearing bank has no general duty to act as an adviser even though in this instance the company had sought advice and the bank had proffered it. It would seem, from the judgment, that there is here a possible distinction between a merchant bank and a clearing bank.

The other important point affects the law relating to overdrafts. Banks have always contended that overdrafts are repayable on demand. Mr Justice Gibson found that in the absence of any consideration to the contrary, overdrafts are repayable on demand. This would apply even when the overdraft had been granted for a particular transaction.

It will be interesting to hear how clearing banks reconcile this view with their own evidence to the Wilson Commission where they suggested that there could be a proportion of "hard core" lending on overdrafts which could be used for much longer periods than the short-term lending for working capital requirements.

The judgment could also pose problems for auditors certifying a company's financial soundness in capital flotations. It may possibly be held that a bank's assurance that it does not intend to withdraw overdraft facilities as being merely a vague statement of intention rather than a cast iron guarantee.

House of Fraser

Lorho will be pleased

House of Fraser has three problems: most of its 111 stores are too small for efficient retailing in the 1980s; it is heavily dependent on the four London stores, particularly Harrods which probably contributes a quarter of sales and 40 per cent of profits; and finally the fact that Lorho holds just under 30 per cent of its equity.

In the first two respects, House of Fraser typifies many of the difficulties facing the retail sector. Although the company says all its outlets are profitable, it is clear that some are much more profitable than others.

The big surge which took profits from £10.6m in 1972 to £40.4m in 1979 was largely due to tourism in London. So the easing of the tourist boom, combined with VAT rises and the slump in women's clothes sales, helped to pull 1980 profits down to £3.3m.

A modest recovery may be anticipated in the current year, but it is unlikely without a change in these fundamentals to restore profitability to more than 1979 levels.

On sales up £86m to £700m margins have slipped from 6.5 per cent to 5.3 per cent, an indication of how tough business is. Despite this the dividend has been increased from 6.33p a share gross to 8.57p, so cutting cover from 3.9 times to 2.5. That will please Lorho, even if the yield of 6.4 per cent with the shares at 134p is not especially attractive when compared with say Debenhams.

Derek Harris

OFT's Mr Borrie prepares for the chase

The Competition Bill, which is to receive the Royal Assent next week, gives Mr Gordon Borrie, the Director General of Fair Trading, sweeping powers to bring to book those who indulge in anti-competitive practices.

Instead of following the American system of specifying uncompetitive practices and outlawing each one individually, the Government has left it to Mr Borrie to define what constitutes an anti-competitive practice and to decide whether to refer the practice to the Monopolies and Mergers Commission.

The 120 or so administrators and specialists on Mr Borrie's staff dealing with the various aspects of competition policy have been scratching their heads over the definition of "anti-competitive" ever since the Bill was published last July.

One guide they have is the Green Paper on restrictive trade practices policy produced last year by the interdepartmental committee chaired by Mr Hans Llesner. The Llesner committee itself relied to a large extent on the experience of the Monopolies and Mergers Commission whose investigations had thrown up examples of widespread uncompetitive practices.

Some of the judgments of the Commission could well provide the beginnings of a body of case law guiding the Office of Fair Trading (OFT).

The Llesner committee cited various examples of practices which had been found undesirable: these included the tying of the sale of one product by a retailer to the sale of a different one and "full-line" forcing where a retailer has to buy a full range of a maker's goods instead of merely the one desired. These practices have now gone to the Commission for investigation.

Other practices, loyalty bonuses to retailers, aggregated rebates and restrictive cancella-

tion terms in lease contracts were also mentioned by Llesner. The interdepartmental committee emphasized the difficulties of defining when an act was anti-competitive.

Exclusive competition when operated by a dealing contracts might be anti-competitive, yet in other circumstances might be the means for a new entrant to establish a foothold in a market.

The OFT will look at the Llesner findings and may also find some fruitful areas for investigation in the reports of the Price Commission, but by and large it expects its own investigations and references to the Commission to spring mainly from complaints coming in from companies and others including members of the public.

Its remit under the new legislation will be to look at practices by individual com-

panies which may be distorting competition.

It is expected that smaller companies with a turnover of £5m or less will be excluded from investigation, as will those with 25 per cent or less market share.

The OFT will effectively need a prima facie case before deciding to announce an investigation.

Once an investigation is announced the OFT will virtually have all the wide powers of the Commission in calling for evidence from a company. It might, if circumstances demanded it, launch concurrent investigations into several companies in a sector. But it is hoped that investigation of a market leader will act as sufficient warning to others.

There is no time limit on the OFT's investigation, but it will be expected to act quickly. Given its staffing capacity, 20 to 30 investigations a year seem likely.

One problem could be the trivial nature of some complaints about anti-competitive practices. About 50 potential lines of inquiry will already have been rejected. Another 30 are

The Government has left it to the OFT to define what is anti-competitive

still being considered and it is thought that four full-blown investigations may be announced by the end of May.

The OFT's investigation report will, if it decides a reference to the Commission is justified, have to set out the full reasons for the decision. This differs from the procedure under which the OFT sends a monopoly reference to the Commission. Reasons do not have to be stated in these cases.

There will be a month for the company to decide whether it should give undertakings to the Director General on dropping the practices investigated in order to avoid a Commission inquiry, which would last up to six months with an optional three month extension.

One serious criticism of the legislation may be that this will leave little time for a formula mutually acceptable to the OFT and the company to be hammered out. Complicated trade practices built up over decades could be involved.

If a Commission investigation went to nine months a company could be under critical public scrutiny for nearly a year before its fate was decided.

The threat of going through this process may well prove one of the strongest factors in squeezing out anti-competitive practices once they can be identified. In one of the investigations already been given preliminary attention by the OFT—the refusal of some manufacturers to supply to discount retailers—there are already signs that some of the manufacturers involved are beginning to waltz a little under the pressure.

The Confederation of British Industry has underlined this point by complaining that the new legislation will lead to serious uncertainties for companies. The confederation is also worried about what a further administration less sympathetic towards business might do with such broadly written legislation.

Mr Borrie has been stumping the country lately talking to companies and business groups to try to reassure them. His key message has been that the OFT is not concerned with prices so much as ensuring that competition is as free as possible. Wearing its new anti-competitive practice mantle the OFT could easily be seen as much disliked by businessmen as was the Price Commission, which will be officially buried next week.



Mr Gordon Borrie: will the OFT be as unpopular as the Price Commission?

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Two welding robots await their next Strada body-shell at Fiat's Turin plant.

Technology

Robots on the payroll

One of the best places in Europe for a glimpse into the future of manufacturing is in Turin, home of one of the automated Robogate lines in which the body shells of Strada motor cars come together. Low platform glides along preset rails, carrying the body shells into and out of a sequence of welding bays.

In each bay, the shells are locked into position by yellow frames or "gates" ready for the attention of the welders, who surround the platform like surgeons around an operating table. Sparks fly as the operation begins and the welders' torches dart into and out of the Strada's anatomy.

The welders, of course, are industrial robots, performing their fixed tasks with speed, precision and consistency. The robots themselves are conventional units, but it is Fiat's wholly integrated system, with hardly a human in sight (one is sitting at a computer terminal, supervising the line to keep an eye on things) that is the pointer to the future.

In the immediate future there is the prospect of something similar at BL's Metro line at Longbridge.

In Japan, the watchmaking industry is the leader in the automation of mass production in mechanical engineering.

Industrial robots are a far cry from those moving, speaking mechanisms which appear in space fiction films.

An industrial robot of the kind which has attracted the attention of Fiat, BL and Japanese industry—and, in recent weeks, of the National Research Development Corporation—is the mechanical equivalent of a one-armed human torso (that is, it can swivel its mechanical waist, shoulder, elbow, wrist and hand). Its movements are controlled by computer, either by program or by a human operator using a joystick to guide the machine through its paces manually—just once.

Having thus been taught its task the robot will carry on doing it, precisely, again and again, without taking tea breaks, going on strike or sleeping on the night shift.

Unimation of Danbury, Connecticut is the acknowledged world leader in industrial robots, while Hall Automation of Watford, Hertfordshire, claims to be Europe's leading producer. Both companies have been involved in recent changes in the United Kingdom industry.

Last December Hall was acquired (from BOC and the Hall family) by GEC-Marconi. Earlier this month Unimation announced it would produce its new Puma robot in Britain with NRDC and Department of Industry backing.

Hall produces three types of machine: a general-purpose transfer robot for an arc welder and a paint-sprayer. Unimation's Puma is a light-duty industrial robot which has been introduced for assembly work in six divisions of General Motors in the United States; it is a small brother of the Unimates which (together with similar Comau machines) weld the Strada bodies in Turin.

Two other moves into robot development and manufacture

in Britain were made earlier this month. Fairley Engineering is to market and later manufacture a range of automation products designed by six Italian companies; and a new company, British Robotic Systems, has been set up jointly by SPL International and Remek Micro Electronics.

As in other fields of advanced technology, Britain has devoted much effort to discussion and investigation of robots—but has little to show in terms of working systems in use in British industry. On a recent check, Lord Trenchard, Minister of State at the Department of Industry, said this week (he was opening an automation conference in Brighton) there were only 130 robots at work in Britain compared with 500 in Germany and 600 in Sweden. And he might have added, about 4,000 in Japan.

The 4,000 figure for Japan was quoted by Mr Clive Jenkins of the Association of Scientific, Technical and Managerial Staffs at a recent conference on robots organized by the British Institute of Management.

Other speakers included two pioneers of United Kingdom robotics—Mr Douglas Hall, managing director of Hall Automation, and Professor W. B. Heginbotham, director-general of the Production Engineering Research Association.

The impact of robots and automation on joining and assembly was the subject of a report published last October by the Government's Advisory Council for Applied Research and Development (Acad). In countries such as Japan, the United States and West Germany, Acad notes, government supported programmes have accelerated the development and application of robots, and there is continuing research to produce "more intelligent" robots with sensory perception.

A snapshot of a different kind reminds me again of the Robogate line in Turin. Off to one side was a robot with its covers off, bending, stretching and twisting furiously, repeatedly—and to no effect, since there was no car there to weld. The effect was disturbing; we were watching a robot shadow-boxing, or doing keep-fit exercises, or undergoing a severe emotional disturbance. It was a fact being tested after repairs.

Kenneth Owen

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- March 1-7 21st International Exhibition-Conference: Heating - Air-Conditioning - Refrigeration - Sanitary Installations - Bathroom Accessories - Ceramic Glazed Tiles
- March 2-5 MIAS INVERNALE 80 - International Market for Sporting and Camping Equipment
- March 2-7 NC ROBOT AUTOMATION - Exhibition-Conference: Numerical Controls, Industrial Robots & Process Automation
- March 16-20 MODIT - Ready-made Clothes Exhibition
- March 16-23 SPACK-IMA - International Exhibition of Packing & Wrapping, Internal Factory Conveyor Transport & Food Industry Machinery
- March 26-30 16th COMIS/PEL - International Fur Dealers' Salon
- April 14-23 41st MIFED - International Film, TV-Film and Documentary Market
- May 3-6 MIDO 80 - International Exhibition of Optical, Optometric & Ophthalmic Goods
- May 3-6 SINAC 80 - Italian Fashion Preview - International Exhibition of Foot & Shoemaking Machines - Machinery for Tanning - Accessories and Synthetic Products - Model Designs
- May 6-10 EXPO ITA - International Exhibition of Heat & Sound Insulation, Roofing Materials & Waterproofing
- May 15-21 1st SASMI - International Exhibition of Semifinished Products & Accessories for the Manufacture of Furniture, Upholstery and Wooden Articles
- May 15-21 INTERBIMALL 80 - 7th International Biennial Exhibition of Timber & Woodworking Machinery & Accessories
- May 16-20 STAR 80 - International Trade Show of Carpets, Curtains, Furnishings, Fabrics, Tapestries & Wall-papers, Household
- June 4-8 10th SIAS - Biennial International Exhibition-Conference: Automation & Instrumentation
- June 5-9 37th MIPEL - Italian Leather Goods Market (International Salon)
- June 10-13 ESMA-EUROTRICOT - European Hosiery and Knitwear Salon
- June 10-13 MANUTENZIONE 80 - Exhibition-Conference: Materials, Equipment & Products for Maintenance, Cleanliness & Hygiene in Industry & Community Life
- June 20-24 SAMAS 80 - Exhibition of Machines & Accessories for the Clothing Industry

Further information from: Fiera di Milano, Largo Domodossola 1, 20145 Milano (Italy) or from the Milan Fair Representative, Dr. Vittorio Schiavone, 20 Savile Row, London W1X 2DQ Tel 01-734 2471.

The Milan Fair Organization declines responsibility for any changes in the dates announced as above.

Ross Davies

Business Diary: Brewers caught on the hop? • Electric shocker for Lucas

be only January of this year that Christopher Hatton, managing director of Warrington Brewhouse, was appointed in industry. He is not the brewers' liking last night, but is to a terse statement of Warrington Brewhouse, "Barrett is" to take w appointment in industry.

any boardroom row, ed rather than preceded rd Barrett's decision. He have been head- in the same way as Greenall pinched him 3M 10 years ago? brewers certainly seem e been caught by sur- for they have not had find a successor. Prit- Barrett is not going right but chairman Hatton (a solicitor) will be acting executive until a new board.

all Whitley's profits 139 per cent to £16.1m.



If Mrs Thatcher isn't going to pay VAT to the EEC I don't see why I should pay VAT to her.

Lucas executives who show initiative in saving even small sums can look for a pat on the back. But one such play misfired yesterday when someone in the electric vehicle department tried to beat the Budget.

Lucas already has 25 converted Bedford CF vans on test and will soon have 40 more.

After "leaks" that the Chancellor would bump up the road fund licence, an employee was sent on Wednesday morning to tax the first batch of 10 vans.

At £60 a time—£10 more than cars—it cost £600.

Four hours later, the Chancellor announced a 20 per cent

increase in road tax for every-thing except electric vehicles which were excluded from tax to encourage "cleaner and quieter vehicles".

"Ah well, we cannot always get it right. But you must admit it was a good try," said a Lucas person.

By 1981 Lucas will have over 100 battery-driven vans on the road. With a one-ton payload, a top speed of 50mph and range of 70 miles between charges. The Chloride group is investing in electric vehicles too.

But until there is a lighter, more powerful alternative to the lead acid battery there will be no electric private cars.

Standard Chartered Bank, the leading British overseas bank, has moved swiftly to consolidate its position as Zimbabwe's biggest commercial bank.

It has brought Davidson, the head of its Zimbabwean operation, back to head office in the City as general manager, special duties, to help rope in British or indeed any other companies who want to buy or sell in Zimbabwe with SCB help.

Davidson, a Scot, was hired by SCB 24 years ago and within hours of visiting the St Clements Lane headquarters, was on a boat and heading for the then colony. Most of the calls he is getting are from British firms, said he, "they are likely to do well in that market."

Another man to watch for is Alan Wret, Davidson's successor in Zimbabwe. His last two postings were Tehran and Beirut—let us hope that Salsburg does not give him the chance to make it a hat-trick of trouble spots.

The day's papers are full of the Chancellor's attack on company cars would scarcely seem the opportunity to launch a wage-price control. Company cars devoted to Britain's biggest, and most threatened, business perk.

But Andrew Frankl, who published the first issue of the new quarterly with that title yesterday, is undismayed. He thinks the Chancellor's moves may make business car buyers more acutely conscious of the need to get the best for their money.

Frankl expects the squeeze on company cars to tighten in the next two, or three years.

Other countries do not allow this sort of latitude, but if the Government is going to abolish the tax advantages of company cars altogether they would have to restructure the British system of remuneration completely. I do not think it will happen.

Meanwhile his first issue has some good provocative material. It argues (pretty convincingly) that the Rolls-Royce is Britain's cheapest company car, because it is the only one which offers hope of improving on the investment.



Standard Chartered's John Davidson: Zimbabwe settlement resettlement.

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FINANCIAL NEWS

Arthur Bell expands home market share

By Peter Wilson-Smith

Arthur Bell, the Perthshire whisky distiller, has come through a difficult half-year to December 31 with profits up by 6 per cent to £9.19m before tax on sales ahead from £10.4m to £11.3m.

The group has succeeded in further expanding its share of the home market, and now claims over 25 per cent. To some extent Bell will have benefited from the two months strike at distillers during October and November.

However Bell has still done very well to show a small rise in volume sales in the United Kingdom during a period which started with high stocks overhanging the market and when the industry as a whole saw volume decline sharply.

Bell must now increasingly turn to exports for growth, as further volume increases in the United Kingdom will be hard to find. Here the signs are encouraging. Export volume rose by 19 per cent compared with a 1 per cent industry decline, although export turnover of £11.4m is still only about a tenth of total whisky sales.

Pretax profits of the whisky division were £492,000 higher at £8.36m after a £649,000 rise

in interest charges to £1.59m which was largely due to higher interest rates.

The glass container division showed a small rise in profits, although margins were lower. Bell is investing £3m on re-building furnaces and on new plant, but the consequent disruption and poor demand for

More company news on page 24

glass containers mean that pretax profits of this division may be lower than 1978-79's £1.45m.

The transport division made a small profit and should also show a full-year profit compared with the previous year's £43,000 loss.

Although a February price rise and the duty increases imposed by the Budget will raise retail prices by around 17 per cent, Bell is reasonably confident of maintaining United Kingdom volume in calendar 1980 and second-half whisky profits should be at least maintained at £7.61m.

The shares fell 4p to 162p yesterday. Assuming the final dividend is raised in line with the interim, the prospective yield is 5.6 per cent.



Photograph by Chris Bell

Progress in Imperial's takeover bid

Sir John Pile, chairman of the Imperial Group, pictured (centre) at yesterday's annual meeting, told shareholders that it was not possible at present to say when the planned takeover of Howard Johnson, of the United States would be completed.

He said substantial progress had been made in obtaining regulatory approvals, but the board nevertheless felt that both with respect to that and certain other aspects of the business, "there are questions still to be answered". Further meetings have been

arranged with Imperial's advisers in the United States and also with the management of Howard Johnson.

Meanwhile, in Braintree, Mass., yesterday, a spokesman for Howard Johnson said the company would not comment further on Sir John's statement at the AGM.

As far as the current year is concerned, Sir John said that "taking one thing with another", the year had started well. The board still believes that group pretax profit for the year will show an advance over the previous year, "but not a dramatic one".

Bestobell keeps its promises

"Doing reasonably, but must try harder" seems a fair verdict on Bestobell whose figures for the year to December 31 helped the shares rise 2p to 224p yesterday. Here they are just above the cash value of the BTR bid of 220p narrowly defeated last August. But BTR's shares are now 334p and its abortive share offer would now be worth 244p.

Bestobell does not have to worry about that until August 18 when BTR will be allowed under takeover rules to bid again for Bestobell. The first bid attempt was only just defeated. BTR finished with 45.15 per cent of Bestobell's shares of which 27.04 per cent represented acceptances. BTR's managing director was

then quoted as saying that the group hoped that Bestobell would keep its promises. It has. The controls, energy, aviation and consumer products group reports a 31 per cent rise to £6.42m in pretax profits in line with last July's bid forecast — while sales rose 11 per cent.

After tax profits rose from £2.95m to £3.25m after exchange losses of £417,000 against £450,000. A jump in extraordinary items from £163,000 to £407,000 included £178,000 in costs to Kleinwort Benson and others for fighting off BTR, and £294,000 of losses on reorganisation. The dividend, as indicated, is to be 15.75p gross against 13.7p. Earnings were 14 per cent up at 30.8p.

Bestobell is obviously keen to keep powder dry until it vanishes from the scene with—but under Mr Sandhill, who came from BTR, has already done a streamlining and productivity

raising. But it still does not profit inflation adjust the contributions of the areas. The year has reasonably and the Budget neutral. Steel supplies have been a problem. Outlook makes suggest profits of about £7m.

The sale, if managed, group shareholders at Group in 1980 was year end borrowings of by a million or two. The Funds are £26.8m.

Alexander Howden tops £20m

By Richard Allen

A 13.4 per cent rise in pretax profits to £20.12m at Alexander Howden last year has helped further alleviate the group's "image" problem, which dates back to the unexpected £3.6m profits fall in 1978.

Even so, the group remains the highest-yielding major insurance broker in a sector galvanised by bid hopes despite the fact that the net full-year divi-

dend payment has been maintained at the previous year's level.

A final of 5p gross takes the total for the year to 10p gross against 10.5p gross previously. With the shares down 2p last night this leaves a yield of just under 9 per cent.

On the broking front, Howden, like its rivals, suffered from the pressure on overseas earnings of a stronger pound as well as softening premium rates

in most markets. As a broking and agency company trading profits fell from £15.3m to £14.9m, ever, profits from the insurance companies leapt by 90 p to £6.7m.

Mr Kenneth Grob, the man, yesterday strongly denied rumours about boardroom changes which persisted since two year end underwriters d last year.

Anglo American Corporation Group

Reviews by the Chairmen of the Transvaal gold mining companies for the year ended 31 December 1979

The following are general comments on the gold and uranium markets, mining operations and related matters taken from the annual reviews by Mr H. F. Oppenheimer, chairman of Elandsrand; Mr D. A. Etheredge, chairman of Vaal Reefs; Mr G. Langton, chairman of Western Deep Levels, Southvaal Holdings and Afrikander Lease; and Mr N. F. Oppenheimer, chairman of S.A. Land:

GOLD

On 2nd January, 1979, the gold price, at \$225 an ounce, was still recovering from the announcement by the US Treasury two months earlier that it would significantly increase the amount of gold to be auctioned as part of a dollar support programme. By 8th February, 1979, the price had risen to a new record of \$254 owing to fears of oil shortages and soaring prices following the Iranian revolution. In mid-year, with further rises in the oil price, renewed fears of inflation and widespread political unrest, not only in the Middle East but also in South East Asia and South and Central America, the price of gold regained its upward momentum.

Asset protection became the major factor in the rising price of precious metals in general, rather than the weakness of the US dollar as had been the case previously. New US legislation recognised the importance of gold in investment portfolios by permitting pension and insurance funds to invest part of their assets in precious metals. Reduced Russian sales and continuing strong investment demand with no major reduction in gold fabrication accelerated the upward movement. Consequently, at the beginning of October a new record of \$437 was set at the same time as the IMF met in Belgrade and studiously ignored the question of gold and its role in international monetary affairs.

The storming of the US Embassy in Tehran early in November and widespread growing anti-US sentiment, particularly in the Middle East, boosted speculative demand again and at the end of the year the price closed at \$524. The Russian invasion of Afghanistan and further oil price increases thereafter caused a leap of more than \$300 to a peak of \$850 in only three weeks. The price is currently fluctuating between \$600 and \$700 with support now emerging of prices around \$600. If sustained, this could augur well for our industry.

There is no doubt that the current high prices are depressing the jewellery trade partly because of consumer resistance but also because of the difficulty of financing working stocks. However, because of Intergold's activity the drop in demand is not expected to be as sharp as that which followed the rapid gold price increase in 1974. Kruggerand sales are also being adversely affected and small R1 and R2 coins are being marketed on a trial basis. Despite the drop in offshore fabrication demand, sales of newly-mined gold are being sustained by strong investor demand.

The US Treasury sales policy is not at all clear. It appears however that unless there is a significant weakening of the dollar in exchange markets, or the US balance of payments worsens, no further sales will take place. The current IMF sales programme will come to an end in May and it is not yet known what policy will be adopted with regard to its remaining gold holdings of approximately 3 200 tons.

The past year has further entrenched the monetary role of gold in the world economy and even when the political situation is normalised in the Middle East, the price of gold is not expected to drop to last year's average level.

URANIUM

Uranium prices showed a further decline in real terms during the year and there was a marked drop in spot market activity towards the end of the year. The current surplus has been aggravated by some United States utilities which have decided to reduce their inventories either because their view of the free supply position has resulted in a change in inventory policy or because the high interest rates prevailing at present have made realisation of stock financially attractive.

The sale of this material in Europe at relatively low prices has reduced the opportunity for spot sales. The present indications are that Vaal Reefs and Western Deep Levels will not be able to sell their entire available production this year, increased as it will be at Vaal Reefs by the build-up to full production at the new South plant and the additional tonnage from the Afrikander Lease area and at Western Deep Levels by initial production from the new plant extension. Therefore whatever new spot sales are secured in 1980 by Vaal Reefs will only partially absorb production from Afrikander Lease.

Furthermore, the predicted oversupply until the mid-1980s is likely to result in a continuing drop in price in real terms. This, on the other hand, will undoubtedly cause a delay in the commissioning of some uranium mining projects currently under consideration in other Western countries. Nevertheless, our view remains unchanged that uranium and coal offer the only long-term economic solution to the shortfall in the world's energy supply. Oil is becoming prohibitively expensive as a source of general purpose energy and consequently the trend towards nuclear and coal based energy is bound to strengthen. At this stage however, because of public resistance to nuclear power, there is a definite trend towards planning for coal-fired generating capacity at the expense of possible new nuclear power plants.

Summary of Operations										
	Vaal Reefs		Vaal Reefs South Lease Area ¹		Western Deep Levels		Elandsrand ²	S.A. Land		
	1979	1978	1979	1978	1979	1978	1979	1979	1978	
Gold										
Tons milled 000's	8 183	7 822	2 679	2 595	3 241	3 223	582	1 285 ³	965 ³	
Yield-grams/ton	8.22	8.62	10.29	9.65	14.78	14.17	5.04	1.24	1.28	
Production (kg)	67 282	67 438	27 560	25 034	47 890	45 067	2 931	1 596	1 236	
Cost Rand/ton milled	31.88	28.68	34.40	28.66	37.15	32.67	35.49	3.17 ⁴	3.33 ⁴	
Cost Rand/kg produced	3 878	3 327	3 344	2 972	2 514	2 306	7 043	2 557 ⁴	2 602 ⁴	
Price Received Rand/kg	8 183	5 491	8 147	5 559	8 358	5 477	9 270	8 099	5 554	
Working profit R000's	290 870	146 822	132 942	65 111	280 852	45 590	7 151	3 072 ⁵	2 077 ⁵	
Royalty paid	—	—	66 976	28 233	—	—	—	—	—	
Capital expenditure R000's	103 876	94 015	54 992	53 205	72 749	31 068	69 000	426	—	
Tax R000's	108 678	37 137	—	—	136 001	75 492	—	2 137	1 166	
Dividends cents per share	510	280	—	—	320	147.5	—	40	25	
Uranium										
Production tons	1 273	1 060	486	335	199	183	—	—	—	
Profit R000's	61 821	50 567	18 674	11 874	9 484	2 341	—	—	—	
NOTES: 1. Figures included in Vaal Reefs 2. First full year of production 3. From dumps 4. Unit production cost (excluding the delivered cost of dump material) 5. After taking account of the delivered cost of dump material										

NOTES: 1. Figures included in Vaal Reefs 2. First full year of production 3. From dumps 4. Unit production cost (excluding the delivered cost of dump material) 5. After taking account of the delivered cost of dump material

LABOUR

With the upturn in the economy, the shortage of skilled workers in South Africa has been aggravated. Consequently the Government has been forced to encourage immigration, an action that will permanently remove a good number of skilled jobs from the market which could have been satisfied locally had the training of black apprentices started when the industry was pressing for this change some years ago. It is absolutely vital that the recommendations of the Wiehahn and Riekert reports on industrial relations and labour mobility be implemented so that this country should not remain dependent on immigrants to meet its skilled labour requirements in future. To achieve this the co-operation of all sectors will be required and particularly that of the trade unions, some of which have already indicated qualified support for the apprenticeship of blacks.

Mr D. A. Etheredge:

The publication of the Wiehahn and Riekert Reports on industrial relations and labour mobility were milestones in labour development in South Africa. However, the Government initially adopted a cautious attitude towards the Commission's recommendations particularly in regard to the admission of black workers to trade unions. Fortunately, it has since made important moves in this direction and seems intent on full implementation of all the recommendations, but in terms of an undefined timetable. Some matters remain to be considered by the Wiehahn Commission which will be devoting a further report to matters concerning the mining industry in particular. Once this has been published and the Government has made its views known, it will be possible to plan for the better utilisation of our human resources and for an improved industrial relations structure. Much will depend on the co-operation of the white trade unions, and it is sincerely hoped that they will recognise that it is in everyone's interest, themselves included, that these changes are brought about.

TRAINING

The mining industry offers employment opportunities to over 300 000 underground workers and nearly 100 000 surface workers, most of whom have had very little or no formal education. The average period of schooling of the black workforce in the industry is only 3.4 years. The task of formulating training programmes aimed at improving performance and overall productivity on the mines remains formidable. However, success in this field is imperative if the predicted skills shortage is to be minimised.

The continuous training of people in itself can and should only be undertaken within a labour structure which enables all individuals to use their accumulated skills to maximum potential. Forward developmental planning of the labour force in a new environment where there will be equal opportunities, equal pay for work of equal value, as well as the right to trade unionism, must be approached with some urgency. The next decade will see fundamental changes in labour policy which it is hoped will result in the industry being manned by a stable, fully-utilised and well-motivated labour force.

TECHNICAL RESEARCH

Research at gold mines administered by Anglo American Corporation is being accelerated to establish satisfactory and practical means of filling mined-out areas with slimes residues. Different methods of pumping and a variety of additives are being investigated to make the handling of highly viscous pulp possible. If these attempts are successful, very large areas of old and current

underground excavations can be filled giving a much improved regional support. The consequences of this action for the mining industry as a whole could be substantial as it will reduce many of the hazards associated with the mining of large areas of depth. It will also lead to more efficient use of ventilation, thereby improving the environmental conditions of current working places. The end result could therefore be a substantial improvement in productivity as well as a reduction in underground fatalities and injuries.

Mr G. Langton on Western Deep Levels:

The major unsolved problem in deep level mining below 3 000 metres is the incidence of rockbursts.

To a certain extent rockbursts have been limited by longwall mining which minimises the formation of remnants, by good mining geometry and by the use of rapid-yielding hydraulic props. Despite these measures however the incidence of rockbursts is still far too frequent and when these occur during the working shift they usually result in injuries and often in the loss of life. Besides the human tragedy associated with these events they create an unfavourable image for the mine which in turn results in recruiting problems.

Naturally, the majority of bursts occur after the blast when the stope faces are not manned and consequently do not result in casualties. However, these bursts normally cause severe damage to the work places which takes time to repair and results in loss of production. Furthermore, they have a demotivating effect upon the miner and his team. It is estimated that production lost due to bursts in 1979 amounted to 44 000 square metres and as the depth of mining increases the rockburst hazard and losses could become even greater.

Recent research has indicated that energy release rates show a linear relationship to the incidence of rockbursts. However, the rate of energy release can be effectively reduced either by leaving stabilising pillars or by introducing a suitable fill behind the advancing stope faces.

Where stabilisation is provided by a systematic pattern of strike pillars, it has been demonstrated that an 85 per cent extraction rate will result in a 50 per cent reduction in the number of rockbursts. This will lead to a more stable mining condition with the potential for improving safety and production performance. It is planned to introduce these pillars on the Carbon Leader longwalls below 100 level during 1980. While the effect of leaving barrier pillars will theoretically result in a 15 per cent loss of mineable ore, thus reducing the life of mine by three years, in practice the ability to mine safely at greater depths could more than offset such pillar loss.

At the same time, it is intended to continue experimenting with suitable methods of filling stope workings effectively with crushed waste rock. At this stage it must be emphasised that there are numerous technical and practical difficulties involved. However, success in this field may well reduce the requirements of in situ pillar support.

The Annual General Meetings of these companies, all of which are incorporated in the Republic of South Africa, will be held in Johannesburg, South Africa, on April 24, 1980. Copies of their annual reports may be obtained from the London Office at 40 Holborn Viaduct, London EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Chartered Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

BASF pre-tax profit soar by 46.6pc

Pretax profits for BASF soared 46.6 per cent to DM994m (£229m) in 1979. Group pretax profits rose 48.2 per cent to DM1,700m.

Turnover for the mother company rose by 25.4 per cent to DM14,130m, while turnover for the group rose 20.4 per cent to DM25,900m.

BASF said that demand had remained high so far in 1980 with the order backlog unchanged from December, 1979, although the company remained burdened by price increases for crude oil and petrochemical raw materials. The company announced that foreign turnover for the parent company had increased 27 per cent to DM6,840m, slightly faster rate than domestic turnover, which grew 23.3 per cent to DM5,290m.

Investments for the parent company increased a slight 0.3

per cent to DM887m, investments for the increased 3.1 per cent to DM1,810m.

Plastics and chemicals showed the strongest growth within the group petrochemicals, agricultural products, dyes and refined

International

IBM raises \$277m in Europe

International Business Machines is on another borrowing spree. This month it has raised the equivalent of about \$277m through private placements and bank loans in Europe, the company disclosed in New York.

All the borrowings represent six-year obligations at annual interest rates of 6 per cent to 10 per cent.

The total includes a previously reported placement of notes in West Germany in which IBM raised the equivalent of \$55m. But IBM also raised the equivalent of \$108m through two other financings in West Germany marks, an IBM spokesman said.

In addition, IBM raised the equivalent of \$116m through borrowings in Swiss francs. IBM said it needs the funds for plant expansions, working capital and to finance its placements of computers through leases. By borrowing in Europe, it got interest rates substantially lower than it could get in the United States.

"We won't pass up opportunities to borrow if we find terms," Mr Dean P. Poyner, IBM's senior vice-president for finance and planning, told securities analysts in New Orleans earlier this month.

The amount IBM borrows this year will depend in part on the availability and cost of money, he said, and in part on how much IBM needed to finance its lease base.

Last year, there was a surge in customer decisions to lease computers rather than buy them. Leasing results in much less near-term revenue for IBM and a potentially greater need for borrowed funds.

IBM made unprecedented borrowings last year of nearly \$1,500m.

Optimism at Shell Oil

Shell Oil expects 1980 earnings to exceed last year's \$7.32 a share because of the growing strength in exploration and production, the president, Mr John F. Bookout, told security analysts in Houston, Texas.

In 1979 Shell had record profits of \$1,130m.

He said, however, that earn-

Swire of Hongkong

Swire of Hongkong said the annual revaluation of investment properties resulted in a surplus of \$17.76m (£1.5m) over 1978, compared with a deficit of \$1.86m at Dec 31.

It said rental incomes should increase although controls will produce a decrease than pre-expected. Overall profits would probably be about 20 per cent ahead of those for 1978.

Cessna Aircraft Co.

Cessna expected that earnings for the year ending December 31 will be below last year's \$2.47 a share, spokesman said.

Sales are still forecast to \$1.1bn this year from \$1.05bn in 1978, he said. Cessna says it is laying off 2,300 employees, halting 25 of its twin-engine aircraft production and assembly of its Citation I for five weeks.

Remies optimistic

Remies Consolidated says of South Africa: "The year 1980 will be better than 1979 when the company produced record pre-tax profits and earnings share. It declared its highest dividends, according to Charles Fiddian-Green, chairman."

He said if the promise current political and economic climate continues through 1980, the company is capable of considerable expansion.

Nat Iron and Steel

The Singapore group has a net attributable of 27.88m Singapore dollars against 21.67m in the previous year.

Final dividend is 8 per cent, similar to the year 1979, but the mean 1980 per cent gross payable June 2.

NMB confident of growth

Nederlandsche Middenstands-bank (NMB) expects to raise profit again this year, with a further growth in its overall business, the management board chairman, Mr Willem Scherpenhuijsen Rom, said.

First quarter profit was expected to be higher than in 1979, he said, mainly because business growth. The int margin was under pressure on balance better than at time last year.

Net profit rose 25 per cent to F1157m (£33.1m) and the share price rose 22 per cent to F140.50m last year.

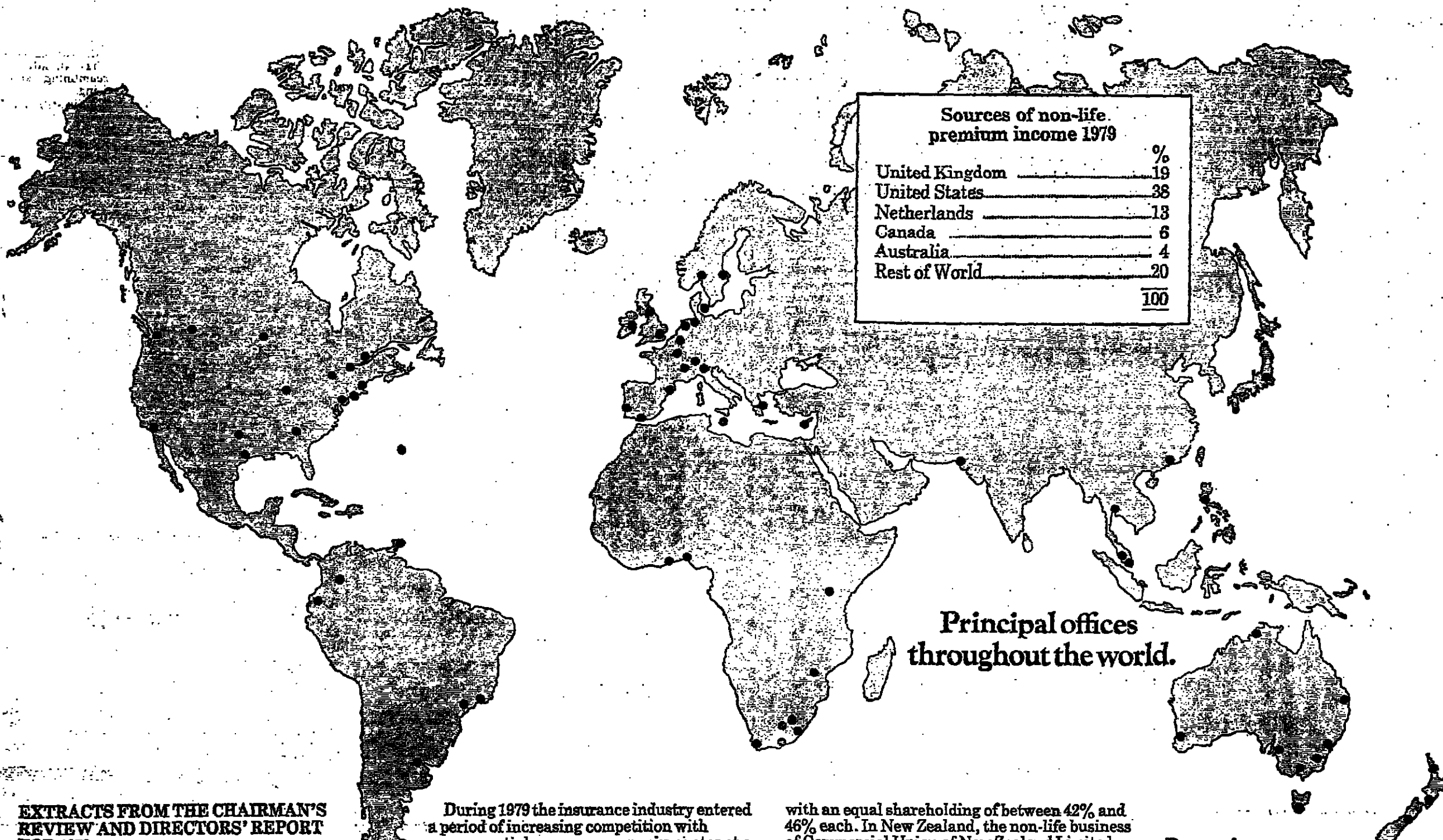
Dresdner holds dividend

Dresdner Bank has proposed an unchanged dividend of DM5 per DM50 share for 1979. The bank said yesterday in Frankfurt that capital ranking for the dividend payment was DM678m.

The dividend payout for 1979 will cost the bank DM158m while a further DM50m will be put into open reserves, leaving

the bank with a total DM878m in base capital, DM2,040m in open reserves. The announcement followed a Wednesday meeting where 1979 annual report was sent by the board of directors and approved by the supervisory board. It was presented to stockholders at the annual meeting on March 28.

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EXTRACTS FROM THE CHAIRMAN'S REVIEW AND DIRECTORS' REPORT FOR 1979.

Summary

The profit attributable to shareholders for 1979 (after taxation and minorities) was £91.8m compared with £87.8m for 1978. Earnings per share increased marginally to 22.34p from 21.37p in 1978.

Your directors recommend the payment of a final dividend of 5.800p (1978 5.927p) per share which, with the interim dividend paid in November 1979, gives a total of 9.800p (1978 8.790p). This represents an increase of 11.5% on the dividend paid in respect of the year ended 31 December 1978. The cost of total dividends for 1979, including preference dividends, will amount to £40.8m, leaving £51.5m to be transferred to retained profits and reserves.

World-wide non-life premium income in sterling terms increased by 4.3%, but, after allowing for the effect of changes in rates of exchange and the sale of a majority of our shares in former subsidiary companies in South Africa and the Republic of Ireland, which have now become associated companies, the underlying growth in premium income was 12.4%.

Investment income, net of loan interest, amounted to £141.0m (1978 £124.3m) representing an increase of 13.4%, but, after allowing for the effect of changes in rates of exchange and other factors, the underlying increase was 21.4%.

Life profits were higher at £16.6m compared with £15.0m in 1978.

Underwriting results deteriorated during 1979, producing a loss of £21.3m compared with a profit of £2.9m in 1978. This deterioration was largely due to our underwriting experience in the United States, where, as generally expected, results worsened. In the United Kingdom and Canada underwriting profits were achieved, but the Netherlands again sustained a substantial underwriting loss as did a number of our operations in Europe. Marine and aviation business written in the London market made a satisfactory profit of £2.5m in comparison with the unusually high profit reported in 1978 of £5.1m.

MAJOR TERRITORIES

United Kingdom

Underwriting in the UK produced a profit of £3.5m compared with £3.9m in 1978.

The dull economic conditions during the year, coupled with an excess of underwriting capacity, resulted in vigorous competition for business. This affected premium rates adversely and hence profit margins.

Despite these pressures, we achieved real growth (ie in excess of inflation) in most of the significant classes, especially fire and motor, and the total premium increase for the year was over 21%.

Fire experience was adversely affected by an increase in the number of large fires and by losses arising from bad weather which occurred at the beginning and at the end of the year. Motor business remained profitable and there was a marked improvement in the liability account.

Life profits in the UK amounted to £7.1m (1978 £5.7m). A valuation of the Northern Non-Participation Life Fund was carried out at 31 December 1979 and a surplus of £18m has been transferred to shareholders' funds. A profit of £8m will thus be released to the profit and loss account in each of the years 1980, 1981 and 1982 compared with £4m for each of the three years following the valuation at the end of 1976. All these amounts are net of taxation.

United States

There was an underwriting loss in the United States of £8.3m compared with a profit of £7.7m in 1978. Investment income increased to £46.5m (1978 £44.6m).

During 1979 the insurance industry entered a period of increasing competition with consequential pressure on premium rates at a time of rising inflation in the economy. Furthermore, industry losses from catastrophes were the highest for many years and included the cost of two severe hurricanes, David and Frederick. Accordingly, a downturn in the underwriting results of the industry occurred and we shared to some extent in this general deterioration in market experience.

Our operating ratio on a statutory basis was 102.5% (1978 98.5%).

We have continued to support the Independent Agency System by providing our agents with an effective means of marketing, underwriting and controlling their personal and commercial lines business. We have also improved our methods of controlling and handling claims. In general, our objective has been to provide a service to our agents of the highest standard with a view to developing for them, and for us, portfolios of a high quality. This policy has been well received by our agents and has contributed materially to an increase in premiums in local currency of some 13% compared with an average premium growth for the industry of about 11% during 1979. At the same time we consider our claims experience to be acceptable in present market conditions.

Australia

Underwriting experience in Australia continued to be unprofitable, producing a loss of £2.3m compared with a loss of £1.7m in 1978. Investment income was £7.0m (1978 £7.9m). Premium income in local currency increased by 4%.

It was announced on 13 February 1980 that we have agreed in principle with the National Mutual Life Association of Australasia Limited (NML) to integrate our general business interests in Australia and New Zealand, and to transfer to NML our life business in those countries. It is intended that NML will acquire from us such number of shares in Commercial Union Assurance Company of Australia Limited (CUA) as will leave both NML and ourselves

with an equal shareholding of between 42% and 46% each. In New Zealand, the non-life business of Commercial Union of New Zealand Limited and NML will be transferred to a newly incorporated general insurance company, in which we and NML will have a 40% interest, and CUA a 20% interest. It is hoped that the above arrangements will be completed by September 1980. We believe that the association with NML will strengthen our operations and enable us to provide a more comprehensive service in both Australia and New Zealand.

Canada

The underwriting result in Canada was a profit of £.4m (1978 £.1m). Investment income increased to £8.8m (1978 £8.2m).

Competition has been intense and conditions generally have not been conducive to growth. Accordingly our premium income in local currency increased by only 2%.

Netherlands

In the Netherlands there was little change in the underwriting result of our subsidiary, Delta-Lloyd Verzekeringgroep NV, which sustained a loss of £10.7m compared with £11.4m in 1978. Investment income increased to £20.7m (1978 £19.6m) and life profits were slightly higher at £8.2m (1978 £8.0m).

FINANCIAL

During the year there was a significant rise in the value of sterling against most other currencies, including those of the four major territories in which we operate. The effect of changes in rates of exchange reduced the profit attributable to shareholders by approximately £5m and resulted in a reduction in shareholders' funds of £32m. The consequent effect on our solvency margin was, however, negligible.

Exchange controls which had been in existence for some 40 years were abolished by the present Government in October 1979. Whilst the needs of British companies operating in overseas markets have been understandingly considered by the Bank of England during the existence of controls, the improved ability which we now have to plan ahead for overseas capital commitments is very welcome.

Borrowings

During the year our non-life borrowings were reduced by £79.4m to £134.8m and the debt to equity ratio (ie borrowings expressed as a percentage of shareholders' funds) fell from 33% to 19%. This reduction resulted from the repayment of £26.0m of borrowings following the sale of various European properties, and from a final repayment of £19.7m in connection with the mortgage on the Boston building. The net effect of changes in rates of exchange was to reduce existing borrowings by £12.8m from the previous year.

CONCLUSION

The worsening trends in underwriting results - more particularly in the United States but also in the world reinsurance and marine and aviation markets - show that the current problems of the insurance industry are largely caused by a combination of increasing competition and inflation. Competition is continuing to force down rates of premium at the same time as inflation is pushing up the cost of claims. Profitable results will only be obtained through the restoration of underwriting standards which enable premiums to rise to a level that at least matches the effects of inflation on claims, but I see few signs of an early return to responsible market behaviour in this respect.

Inflation, of course, also has adverse effects on operating costs, and it is possible to offset these through the achievement of growth in premium income at a rate greater than the rate of inflation. The dilemma is, however, that growth of this order cannot at present be obtained without the acceptance of lower underwriting standards, which would mean that the beneficial effect on costs would be more than offset by further deterioration in claims experience.

Our objective must therefore be to achieve as nearly as we can a reasonable balance between these conflicting requirements. This involves careful forward planning both for the short and longer term. We have developed practical planning procedures for the attainment of controlled growth which are beginning to prove themselves in practice, and we aim to refine and improve them. In this we are already seeing the benefits of our investment in sophisticated data processing systems of which full advantage is being taken by our skilled management and staff both in Head Office and throughout the world. This is demonstrated by our results for the year under review, which can be regarded as satisfactory in last year's adverse market conditions.

I believe that the problems we have faced in 1979 will continue and may well be even greater in the immediate future than they have been in the recent past, but I am confident that in the longer run sanity will be restored and that the current adverse market trends will be reversed. This will happen all the sooner if, as I believe, the world-wide economic recession begins to be reflected in a slowing down of growth in investment income which hitherto has provided too soft a cushion against losses incurred on underwriting.

Against this background, we are committed to growth, but only to profitable growth, and, where we see the opportunities for this, we shall take them in 1980.

RESULTS IN BRIEF

	1979 £m	1978 £m
Premium income	1,148.5	1,100.7
Investment income	153.6	143.3
Life profits	16.6	15.0
Underwriting result	(21.3)	2.9
Loan interest	(12.6)	(19.0)
Associated companies' earnings	1.3	—
Profit before tax	137.6	142.2
Taxation and minorities	(45.8)	(54.4)
Profit attributable to shareholders	91.8	87.8
Earnings per share	22.34p	21.37p
Dividend per share (net)	9.80p	8.79p
Shareholders' funds	£717m	£646m



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Broadcasting Guide

TELEVISION

TELEVISION

San Francisco, 10.30 Southern Report, 11.05 Film: When Joseph Returns. am Weather and The Bible Now.

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